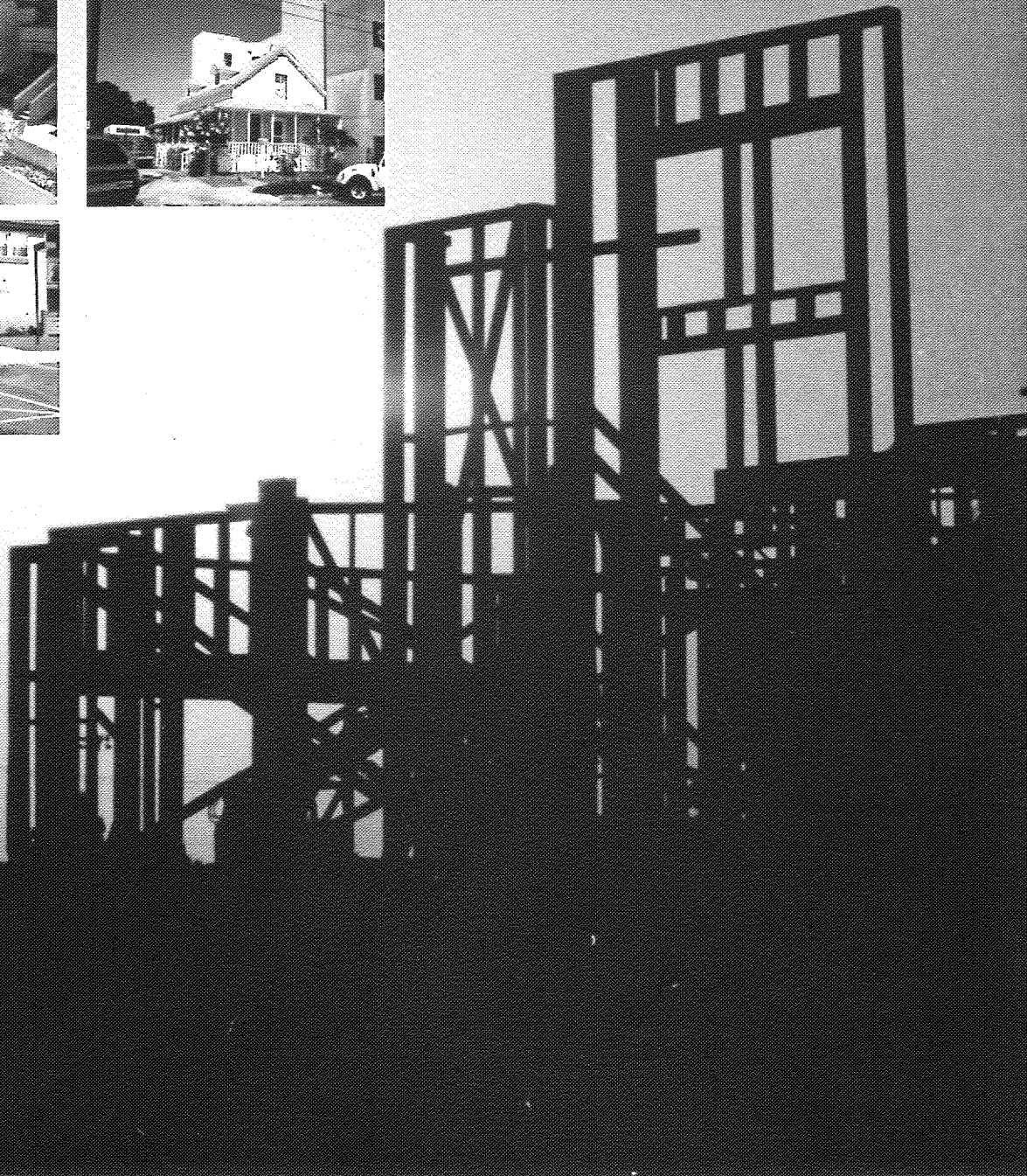
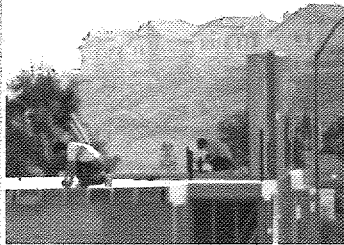
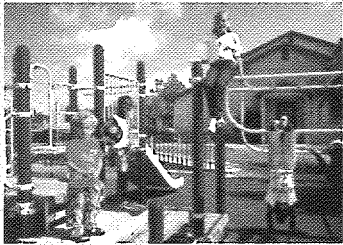




City of San Diego General Plan **HOUSING ELEMENT** FY 1999 - FY 2004 VOLUME II



Volume II

City of San Diego Housing Element FY 1999 - FY 2004

November, 2001

Dick Murphy, Mayor
Scott Peters, First Council District
Byron Wear, Second Council District
Toni Atkins, Third Council District
George Stevens, Fourth Council District
Brian Maienshein, Fifth Council District
Donna Frye, Sixth Council District
Jim Madaffer, Seventh Council District
Ralph Inzunza, Eighth Council District

Michael Uberuaga, City Manager
Casey Gwinn, City Attorney

Prepared By

Planning Department
San Diego Housing Commission

Adopted by City Council, November 6, 2001
Resolution Number R-295699

PLANNING COMMISSION

William Anderson, Chair
Anthony Letteri, Vice Chair
Bruce Brown, Commissioner
Patricia Butler, Commissioner
Kathleen Garcia, Commissioner
Barry Schultz, Commissioner
Geralda Stryker, Commissioner

S. Gail Goldberg, Planning Director
Betsy McCullough, Deputy Director
 Long Range Planning
Myles Pomeroy, Senior Planner
Irma Hernandez, Intern*
Anna Shepherd, Junior Planner

SAN DIEGO HOUSING COMMISSION

E. Neal Arthur, Chair
David L. Dick, Commissioner
Robert A. Grinchuk, Commissioner
Santiago I. Robles, Commissioner
Sal Salas, Commissioner
Thomas F. Steinke, Commissioner
Alice Tumminia, Commissioner

Elizabeth Morris, Chief Executive Officer
Pat Duplechan, Deputy Executive Director
Jeff Washington, Program and Policy Manager
Nancy Williams, Program Manager*

- No longer with the organization listed

HOUSING ELEMENT WORKING GROUP

Matthew Adams, Building Industry Association
Greg Akili, Non Profit Federation of Housing and Community Development*
Susan Baldwin, SANDAG
Leonard Brown, ACCESS Center of San Diego. Inc.
Ruth Capri-Curns, San Diego Regional Task Force on the Homeless*
Rudy Cervantes, San Diego Housing Commission
Nicole Cretelle, San Diego County Apartment Association*
Rebecca Davis, SANDAG
Xavier Del Valle, County of San Diego
Ann Fathy, Low-Income Housing Advocate
Liz Higgins, San Diego Association of Realtors
Mary Scott Knoll, San Diego Fair Housing Council
Ross McCullom, City of San Diego, Homeless Coordinator*
Tracy Morgan-Hollingworth, San Diego Association of Realtors
Zigisha Mhaskar, SANDAG*
Bob Pinnegar, San Diego County Apartment Association
Guy Preuss, Skyline-Paradise Hills Community Planning Group
Lee Price, North County ACCESS Center of San Diego. Inc.
Mel Shapiro, Affordable Housing Advocate
Shuf Swift, Affordable Housing Advocate
Jim Varnadore, Affordable Housing Advocate

- No longer with the organization listed

Table of Contents

BACKGROUND INFORMATION

I. Community Profile	102
A. Purpose	102
B. Key Findings	
C. Population Trends and Forecasts	104
1. National and State Trends and Forecasts	104
2. Local Trends and Forecasts	106
D. Population Characteristics	107
1. Age	107
2. Household Size and Composition	108
3. Income	109
4. Ethnicity and Race	110
E. Housing Characteristics	112
1. Size and Types	112
2. Age of Housing	114
3. Tenure	115
4. Condition	115
5. Vacant Units and Vacancy Rate	116
F. Employment Trends and Forecasts	117
II. Housing Needs Assessment	120
A. Purpose	120
B. Key Findings	
C. Housing Costs, Income, and Affordability	121
1. Owner-Occupied Housing	122
2. Rental Housing	125
D. Redevelopment	131
1. Centre City Development Corporation (CCDC)	133
2. Southeastern Economic Development Corporation (SEDC)	133
3. City of San Diego Economic Development and Community Services	135
E. Manufactured Housing and Mobile Homes	136
F. Preservation of Existing Affordable Housing	138
G. Housing Needs of Special Populations	138
1. Elderly	138
2. Persons with Disabilities	141
a. Persons with Physical Disabilities	143
b. Persons with Mental Illness	144
c. Persons with Developmental Disabilities	145
3. Large Families	145

4. Military	147
5. Students	148
6. Female Headed Households	151
7. Farm workers	152
8. Homeless	154
a. Extent of Homelessness	155
b. Profiles of Special Homeless Populations	157
c. HUD's Continuum of Care Concept for the Homeless	159
d. Shelters in the City of San Diego	163
H. Energy Conservation Needs	171
1. Background.	171
2. Title 24, Part 6 - California's Energy Efficiency Standards for Buildings. . .	171
3. Compliance and Enforcement Phases of the Building Process	171
4. Going Beyond Compliance with Title 24 Energy Efficiency Standards	172

III. Constraints to Development 175

A. Purpose	175
B. Key Findings	
C. Governmental Constraints	177
1. Growth Management	177
2. Community Plans	182
3. Land Use Controls	182
4. Land Inventory	187
5. Availability of Facilities and Services in Relation to Land Inventory	189
6. Building Codes and their Enforcement	190
7. Site Improvements	190
8. Fees	191
a. Planning Fees	191
b. Building Fees	192
c. Impact Fees	193
d. Overall Effect of Fees on Housing Costs	197
9. Permit Processing.	199
10. Article XXXIV of the California Constitution	204
D. Nongovernmental Constraints	204
1. Availability of Financing	204
2. Land Prices	205
3. Cost of Construction	206

Appendices

A.	State Housing Element Law	A-1
B.	State Definitions of Housing Terms	B-1
C.	Public Participation Process	C-1
D.	Inventory of “At-Risk” Affordable Units	D-1
E.	Evaluation of Previous Housing Element	E-1
F.	Principles and Guidelines for Program Eligibility for Self-Certification	F-1
G.	Methodology for Estimating Vacant and Redevelopable Land Available for Residential Development	G-1
H.	Estimates and Projections of Retail Jobs by Community Planning Areas	H-1
I.	Conditional Use Permit Development Standards and Locational Criteria in Land Development Code for Homeless Facilities and Transitional Housing	I-1
J.	Ordinances O-18588 and O-18589 amending the Municipal Code and Land Development Code to Facilitate the Processing and Siting of Emergency Shelters and Transitional Housing	J-1
K.	Summary of Suggestions from Housing Element Working Group Incorporated and Not Incorporated into Housing Element	K-1
L.	Low-Income Homeowner and Renter Households Overpaying for Housing	L-1
M.	Glossary of Key Terms	M-1
N.	Gap Between Cost of Housing and What Low and Moderate Income Households Can Afford	N-1
O.	City Council Resolution Authorizing Housing Element for Submittal to HCD.	O-1

TABLES

1.	Race and Ethnicity City of San Diego, 1990 and 1997	110
2.	Number and Type of Housing Units City of San Diego, 1991 vs. 1997	113
3.	Units Completed by Size and Structure City of San Diego, 1991-1998	113
4.	Single-Family Housing Production City of San Diego, 1992-1997	114
5.	Age of Housing Stock City of San Diego, pre-1940-1998	115
6.	Lower Income Homeowners Overpaying for Housing City of San Diego, 1994	124
7.	Rental Rates San Diego Region, Spring, 1995 - Spring, 1998	126
8.	Rental Rates in Comparison to Affordability City of San Diego, Spring, 1998	126
9.	Worst Case Housing Needs of Very Low-Income Renters Selected Metropolitan Areas, 1997	127
10.	San Diego Housing Commission Income and Rent Calculations	129
11.	Lower Income Renters Overpaying for Housing City of San Diego, 1994	130
12.	Estimated Subpopulations of Disabled Community City of San Diego, 1997	143
13.	Bedroom Distribution of Section 8 Program City of San Diego, 1997	146
14.	Housing Deficit by Grade Segment and Number of Bedrooms, Naval Complex San Diego, 1996 and 2001	148
15.	Student Enrollment and University Provided Housing City of San Diego, 1991-1997	148

16.	Unmet Homeless Needs: Estimated Population and Shelter Beds Availability City of San Diego, May, 1998	163
17.	Distribution of Shelter Beds by Target Population City of San Diego	166
18.	Inventory of Services for Homeless Persons in San Diego	167
19.	Comparison of Citywide Multi-Family Parking Regulations City of San Diego, Existing vs. Land Development Code Update	177
20.	Zoning Inventory of Residential Land in Urbanized and Planned Urbanizing Areas ..	185
21.	Residential Land Inventory vs. Regional Share Goals	187
22.	Planning Deposit/Fee Levels in August, 1994 vs. October, 1997	190
23.	Development Impact Fees or Facilities Benefits Assessments, City of San Diego, Fiscal Year, 1999	192
24.	Permit Fees for Sample Projects, September, 1997 City of San Diego	196
25.	Comparison of Fees Charged by the City of San Diego for Different Housing Types	197
26.	Discretionary and Final Map Permit Processing City of San Diego, FY 1991 - FY 1998	199

FIGURES

1.	Population Growth, City of San Diego, 1950-2020	106
2.	Components of Population Growth, Natural Increase vs. Net in-migration, City of San Diego, 1960-2020	106
3.	Population Increase vs. Household Formation City of San Diego, 1960-1998	108
4.	Share of Population by Ethnicity San Diego Region, 1980, 1995, 2020	111
5.	Apartment Vacancy Rates City of San Diego, 1970-1998	117
6.	Median Prices for Existing Single-Family Homes San Diego Region, 1990-1998	122
7.	Population of Persons 65 Years and Over San Diego Region, 1990-2020	139
8.	Urban Homeless Services: Continuum of Care Range of Services Offered	162
9.	Basic Parking Requirements of Multi-Family Residential Developments Existing Zoning vs. Land Development Code Update	179
10.	Average Processing Time for Discretionary and Final Map Permits	199
11.	Decision Processes	201

MAPS

1. Redevelopment Agency Project Areas
 City of San Diego 131

2. Approximate Locations of Unsheltered Urban Homeless
 City of San Diego 156

3. Location of Existing Emergency Shelters and Transitional Housing by Community
 Planning Area
 City of San Diego 165

FIGURES

1.	Population Growth, City of San Diego, 1950-2020	106
2.	Components of Population Growth, Natural Increase vs. Net in-migration, City of San Diego, 1960-2020	106
3.	Population Increase vs. Household Formation City of San Diego, 1960-1998	108
4.	Share of Population by Ethnicity San Diego Region, 1980, 1995, 2020	111
5.	Apartment Vacancy Rates City of San Diego, 1970-1998	117
6.	Median Prices for Existing Single-Family Homes San Diego Region, 1990-1998	122
7.	Population of Persons 65 Years and Over San Diego Region, 1990-2020	139
8.	Urban Homeless Services: Continuum of Care Range of Services Offered	162
9.	Basic Parking Requirements of Multi-Family Residential Developments Existing Zoning vs. Land Development Code Update	179
10.	Average Processing Time for Discretionary and Final Map Permits	199
11.	Decision Processes	201

MAPS

1. Redevelopment Agency Project Areas
 City of San Diego 131
2. Approximate Locations of Unsheltered Urban Homeless
 City of San Diego 156
3. Location of Existing Emergency Shelters and Transitional Housing by Community
 Planning Area
 City of San Diego 165

**HOUSING ELEMENT
VOLUME II**

COMMUNITY PROFILE

I. COMMUNITY PROFILE

A. Purpose

This chapter describes important demographic characteristics and trends which influence demand for housing. Key variables to be considered include overall population growth, the age and sex profile of the population, household size and composition, projected income and employment levels and ethnicity and race.

Characteristics of the existing housing stock are an equally important part of the community profile because the amount and quality of existing housing determines supply and also influences the demand for additions to the housing stock. Important characteristics of the supply of existing housing include size and type, age, tenure (owner occupied vs. rental), condition, the extent of overcrowding, vacant units, housing costs, and existing low-income housing.

B. Key Findings

The following provides a summary of key characteristics affecting San Diego's community profile.

- As of 1998, the population in the City of San Diego had increased by 10 percent since 1990, to 1.22 million and claimed almost 44 percent of the region's population. SANDAG projects that the City's population will grow by 19 percent between 1995 and 2005, from 1.17 million to approximately 1.4 million.
- In the 1980's, the majority of growth was due to net in-migration. However, since 1990, the majority of growth has been attributable to natural increases. This trend is expected to continue between 1998 and 2020, when 60 percent of the growth is expected to be due to natural increases.
- From 1960 to 1989, household formation has outpaced population growth. However, in the 1990's population growth has outpaced household formation. Both trends have contributed to the "doubling-up" of households.
- The San Diego region's median age of the total population is expected to rise by 10 percent, from 31.6 years in 1995 to 34.9 years in 2020. In the City, the median age rose from 28.4 years in 1980 to 30.5 years in 1990.
- Regionwide, between 1997 and 2020, the fastest growing segment of the population is expected to be those aged 65 years and older, reflecting an 81 percent increase. This trend is due the aging of the "baby boom" generation and will create a demand for a range of housing solutions.
- The average household size is higher in the San Diego region than the

national average. Also, contrary to the national average, household size is expected to continue increasing. Between 1994 and 2005, household size is projected to increase from 2.75 to 2.85 persons per household. The trend toward larger households regionally reflects the increasing tendency for households to “double-up” or postpone housing formation as housing costs outpace income.

- The composition of households has changed since the 1980's. The proportion of married couples with and without children has decreased while the proportion of single-parents, single-person households and unrelated individuals have increased since 1980.**
- As of 1998, San Diego's median area income is \$50,800. For four-person households; very-low income is estimated at \$25,400; low-income is estimated at \$40,650; and moderate income is estimated at \$60,950.**
- Regionwide, the Hispanic and Asian population segments are expected to be the fastest growing. The Hispanic population is expected to increase by 109 percent between 1995 and 2020, increasing to 33 percent of the region's total population. The Asian population is expected to increase 102 percent, between 1995 and 2020, making up 12.2 percent of the region's total population by 2020.**
- Single-family dwellings continue to dominate the local housing inventory, although their proportion has decreased steadily from 1970 to 1998. By 1998, 55 percent of the total housing stock consisted of single-family dwellings. However, the proliferation of construction defect lawsuits led to the modest number of attached, single-family units to be added between 1995 and 1997. In contrast, the proportion of multi-family units have steadily increased from 31 percent of total housing stock in 1970 to almost 44 percent in 1997.**
- Most of the housing stock in San Diego is relatively new. About 90 percent of existing housing has been built after 1940 and 50 percent has been built since 1970.**
- San Diego's ratio of homeownership declined steadily from 53 percent in 1960 to 48 percent by 1990. This trend reflects San Diego's high proportion of transient military personnel and students and also the wide disparity between San Diego's income levels and the high cost of housing locally.**
- As of 1990, approximately 10 percent of San Diego's housing stock met the U.S. Census Bureau's definition of “overcrowded.” This represents a 113**

percent increase from the 1980 figure. Although more recent figures are not available, it is likely that the incidence of overcrowding has increased since the population has increased by 10 percent and the number of housing units has only increased by 6.7 percent.

- The vacancy rate has declined steadily from 7.3 percent in 1994 to 3.5 percent in the spring of 1998. This vacancy rate falls very close to the “underbuilt” market, and is a result of the declining number of housing units being built per year since 1990, particularly multi-family units.
- Since 1990, the number of residents employed in recreational goods and biotechnology/pharmaceuticals clusters has doubled and the number of new jobs in the communications and software/computer services clusters had increased by 50 percent. The visitor services cluster has generated the highest number of new jobs, accounting for two-thirds of all cluster employment growth since 1990.

C. Population Trends and Forecasts

1. National and State Trends and Forecasts

The need for housing is affected by current availability, population growth, household formation, household income, and age distribution. The gap between availability and cost of decent housing is expected to grow even wider. According to a recent report by the U.S. Department of Housing and Urban Development (HUD)¹, the increasing proportion of low income households are expected to create more “worst case needs”² cases. The number of very-low-income renters with acute housing needs increased more in the West than in other parts of the country during the first half of the 1990's. This trend, to the extent it is expected to continue, will influence the demand for different types of housing as the gap between real median income and low income housing stock increases.

Almost 70% of renters spent more than 30% of their income on housing and utilities and 50% of poor renter households spent more than half their income on housing in 1995.³ The increasing proportion of families unable to afford decent housing will be aggravated by the effects of welfare reform legislation.

¹Department of Housing and Urban Development, Rental Housing Assistance--The Crisis Continues: The 1997 Report to Congress on Worst Case Housing Needs

²The U.S. Department of Housing and Community Development defines “worst case” housing needs as “households which have incomes of less than 50 percent of the area median income and pay over half their incomes for rent or are living in severely substandard housing.”

³Out of Reach: Rental Housing At What Cost?, The National Housing Coalition, September 1997, p.1.

With the enactment of "Temporary Assistance for Needy Families" (TANF) program of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, significant numbers of welfare recipients, many of whom is public housing and Section 8 residents soon will be required to make a transition from welfare to work as their time limits for welfare assistance is reached. Nationally, the effects of the welfare to work the program will vary, depending on a number of factors, including local economic conditions, the number of entry-level jobs within reasonable commuting distance, the extent of competition from other entry-level job seekers, the availability of transit in relation to entry-level job opportunities, and the availability of day-care and other supportive services.

Additionally, the projected increases in population at both state and national levels create concern for availability of all type of housing especially those with special needs. California's population is expected to increase by 51% from 32.4 million in 1996 to 49 million in 2020. In the U.S. as a whole, the population change is expected to increase by 23% by 2020.

Changes in age structure are also expected to influence housing demand. The aging of the "baby boom" generation will influence the demand for a wide variety of housing in all income groups. Nationally, the population 65 years and older will increase by 59% from 33.5 million in 1995 to 52.3 million in 2020, increasing its share of the U.S. population from 12.7% to 16.4%⁴.

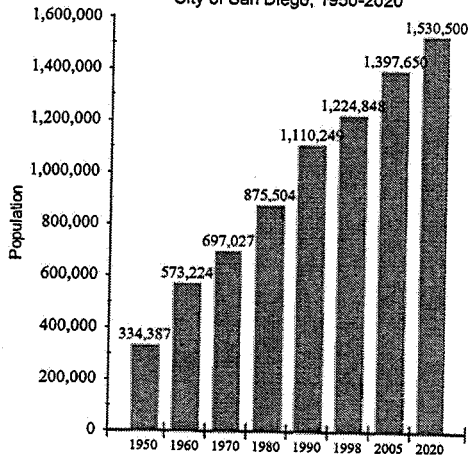
The predicted population growth and increases in rising worst case needs triggered by welfare reform, and gradual effects of loss of low income housing stock will continue to have important implications for housing policy and coordination of essential related services and facilities with housing. This suggests that economic growth alone will not meet the increasing housing needs at both the national and state levels, especially among families with limited incomes.

In addition, California will become even more ethnically diverse. In 1990, Hispanics comprised 26% of the state's population, Whites 57%, and Asian and others 9%, and blacks 7%. In comparison, by 2020 it is expected that Hispanics and Whites will each comprise 41% of the state's population, Asian and others 12% and blacks 6%. Ethnicity is correlated with household size, income and access to the housing market.

⁴Preliminary Series 9 Regionwide Forecast 1995-2020, San Diego Association of Governments (SANDAG), May 28, 1997

2. Local Trends and Forecasts

Figure 1
Population Growth
City of San Diego, 1950-2020



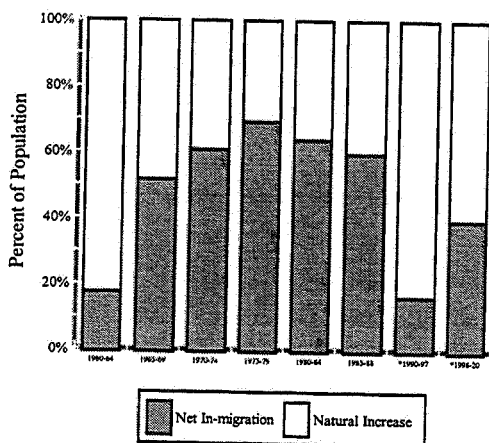
Source: U.S. Census, Department of Finance, SANDAG

San Diego's population has grown dramatically in the last 30 years. In 1970, with nearly 700,000 residents, San Diego was the third most populous city in California and fourteenth in the nation. By 1980 the City's population had increased to more than 875,000, making San Diego the second largest in the western states and the ninth largest in the nation. The 1990 Census counted San Diego's population at 1,110,249, making San Diego the sixth largest in the nation. As of January 1, 1998, San Diego's total population had increased by 10% since 1990 to 1,224,848 and claimed almost 44% of the entire region's population.

Between 1995 and 2005, SANDAG's Preliminary 2020 Regional Growth Forecast projects a 19% increase in the City's population from 1,174,400 in 1995 to 1,397,650 by 2005. Another 10% increase is projected between 2005 and 2020, with the population reaching 1,530,500. These projections assume a continuation of existing land use policies.

In the region, SANDAG's Preliminary 2020 Regional Growth Forecast, estimates a 1.1 million population increase from 1995 to 2020, with an estimated population reaching over 3.8 million by 2020. The region is expected to increase by 17% between 1997 and 2005 and another 19.5% between 2005 and 2020. SANDAG's 2020 Regional Growth Forecast projects that the overall increase of 37% between 1997 and 2020 will result in the need for 405,800 additional housing units creating a concern for housing availability and affordability.

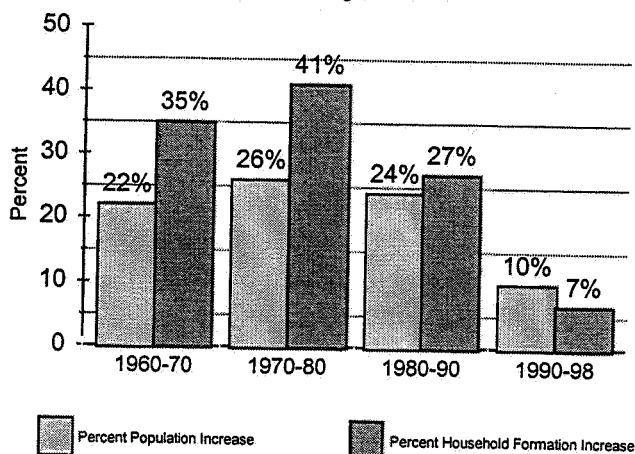
Figure 2
COMPONENTS OF POPULATION GROWTH
City of San Diego, 1960-2020



Source: Department of Finance, City of San Diego, Planning and Development Review

Figure 1 illustrates San Diego's growth since 1950. From 1980 to 1988, net in-migration was the largest component of population increase. However, in the early 1990's, 83% of San Diego's population growth was due to natural increase. This shift was due primarily to the economic recession locally for much of the early 1990's which significantly dampened employment growth. SANDAG's 2020 forecast projects that natural increase will continue to be the primary component of population growth (60%), while net in-migration will account for the remaining 40% of growth. Figure 2 illustrates these changes.

Figure 3
POPULATION INCREASE VS. HOUSEHOLD FORMATION
City of San Diego, 1960-1998



Source: U.S. Census, City of San Diego, Planning and Development Review Department

continued to slow as the rate of new housing construction slowed considerably. Consequently, the reduced rate of new construction tended to dampen new household formations and encouraged even more "doubling up." Another factor that has contributed to the doubling up trend has been a tradition of some cultures and ethnic groups to have intergenerational families living in one housing unit. The trend toward doubling up tends to put more physical stress on housing units, leading to higher maintenance costs. The variety of factors influencing housing demand and household formation is discussed in greater detail in the following sections of this chapter.

D. Population Characteristics

1. Age

Age is an important demographic factor for predicting the future housing needs and preferences of different age groups. Traditionally, young adults (20-34 years) and the elderly (65+) tend to favor apartments, low-to-moderate cost condominiums, and small single-family units. The 35-64 population segment tends to favor higher amenity apartments and condominiums and larger single-family houses because they tend to have larger incomes and larger households.

According to SANDAG's Preliminary 2020 Regional Growth Forecast, the region's median age of the total population is expected to rise by 10% from 31.6 years of age in 1995 to 34.9 years of

Figure 3 compares population increase to the rate of household formation between 1960 and 1998. It shows that between 1960 and 1989, household formation outpaced overall population growth by a wide margin.

Between 1980 and 1990, this gap shrunk considerably and by 1998, population growth had outstripped the rate of household formation. This trend reflects the fact that during the 1980's, high housing costs outstripped income, resulting in decisions to postpone or defer new household formations and in decisions to "double up".⁵ During the early 1990's, the population continued to grow, albeit at a slower rate than during the 1980's, while the rate of new household formations

⁵The term "doubling up" refers to more than one household occupying one housing unit.

age in 2020. In the City of San Diego, the median age rose from 28.4 years in 1980 to 30.5 years in 1990.

The aging of the "baby boom" era will create a demand for a range of solutions for housing catering to the needs of the elderly categories. The fastest growing segment of the population regionwide between 1997 and 2020 is expected to be those aged 65 years and older, increasing by 81%. In absolute numbers, the "over 65" regional population is projected to grow from 311,800 in 1997 to 348,700 in 2005 to 565,400 in 2020. This trend is due to the aging of the "baby boom" generation.

2. Household Size and Composition

The number of persons per household is often a critical determinant of housing types demanded in the marketplace (the mix among apartments, condominiums, and single family houses, and size of the units). A small household (1-2 persons) traditionally uses a unit with 0-2 bedrooms while family households (3-4 persons) typically use 3-4 bedrooms. Large households (5 or more persons) typically use 4 or more bedrooms. Household size also influences choice of location. For example, households with no children may be less concerned about locating within a given school district than households with children.

Nationally, the Census Bureau projects that the average household size is expected to decline slowly from 2.62 in 1995 to 2.53 by 2010. According to the Census Bureau, two major factors account for this decline: (1) an increase in households and families with no children; and (2) an increase in persons living alone.

Average household size is higher in San Diego than nationally and, contrary to the national trend, is increasing. SANDAG's Preliminary 2020 Regionwide Forecast projects that the household size in the region will continue to increase until 2005. In 1990, the average household size was 2.61. By 1994, the average household size was 2.75. By 1997 SANDAG had estimated that it had risen to 2.81; by 2005 it is expected to rise slightly to 2.85, and by 2020 will decrease back to the 1997 level of 2.81.

In the near term, the trend toward larger households regionally reflects the increasing tendency for households to "double up" as housing costs continue to outpace income. The projected decrease by 2020 likely reflects the aging of the baby boom population and consequent increase in "empty nesters."

The composition of the household population has also changed since 1980, reflecting similar changes at the national level. The proportion of married couples with children and without children has decreased while the proportion of single-parents, single-person households, and unrelated individuals have increased since 1980.

3. Income

Income is one of the most important characteristics of housing need because it directly affects the range of housing prices and also strongly influences housing affordability. Household income is also directly related to housing tenure and type. As household income increases, the ratio of homeownership also tends to increase. State law identifies four income categories in relation to area median income⁶: Very low; Low-Income, Moderate-Income, and Above Moderate-Income. Separate income limits exist for each household for each income category.

Extremely Low-Income Households: Those households whose gross income is equal to 30 percent or less of the area median income.

Very Low-Income Households: Those households whose gross income is between 31 percent and 50 percent of the area median income.

Low-Income Households: Those households whose gross income is between 51 percent and 80 percent of the area median income.

Moderate-Income households: Those households whose gross income is between 81 percent and 120 percent of the area median income.

Above Moderate Income: Those households whose gross income is more than 120 percent of the area median income.

The most recent income estimates were developed at the county level by the U.S. Department of Housing and Urban Development (HUD) and the California Department of Housing and Community Development (HCD). The FY 98 median area income for a family of four in San Diego is estimated at \$50,800. Very low-income is estimated at \$25,400 for a four-person household, low-income is estimated at \$40,650 for a four-person household, and moderate income is estimated at \$60,950 for a four-person household.

In the City of San Diego, there are approximately 160,470 low-income homeowner and renter households.⁷ Of these households, approximately 106,701, or 67% of all low-income households overpay⁸ for housing. The Housing Needs Assessment chapter provides a more thorough analysis of the special housing needs of low-income households.

⁶Area Median Income is determined annually by the U.S. Department of Housing and Urban Development and the California Department of Housing and Community Development and is that point at which half of all incomes are above the point and half are below the point.

⁷FY 1994 Comprehensive Housing Affordability Strategy (CHAS) Census Data Book.

⁸The Department of Housing and Urban Development defines "overpaying" as a renter households - who pays more than 30% of their income on housing and utilities and homeowners who pay over 35 percent of their income on mortgage and insurance, and taxes.

4. Ethnicity and Race

The ethnic and racial characteristics of the population are important to an analysis of housing needs because their cultural influences tend to be reflected in preferences and needs for housing type, location, and associated amenities. Table 1 illustrates that in the City of San Diego, the Hispanic, Black and Asian/Other share of the population have increased, while the White share of the population has decreased between 1990 and 1997.

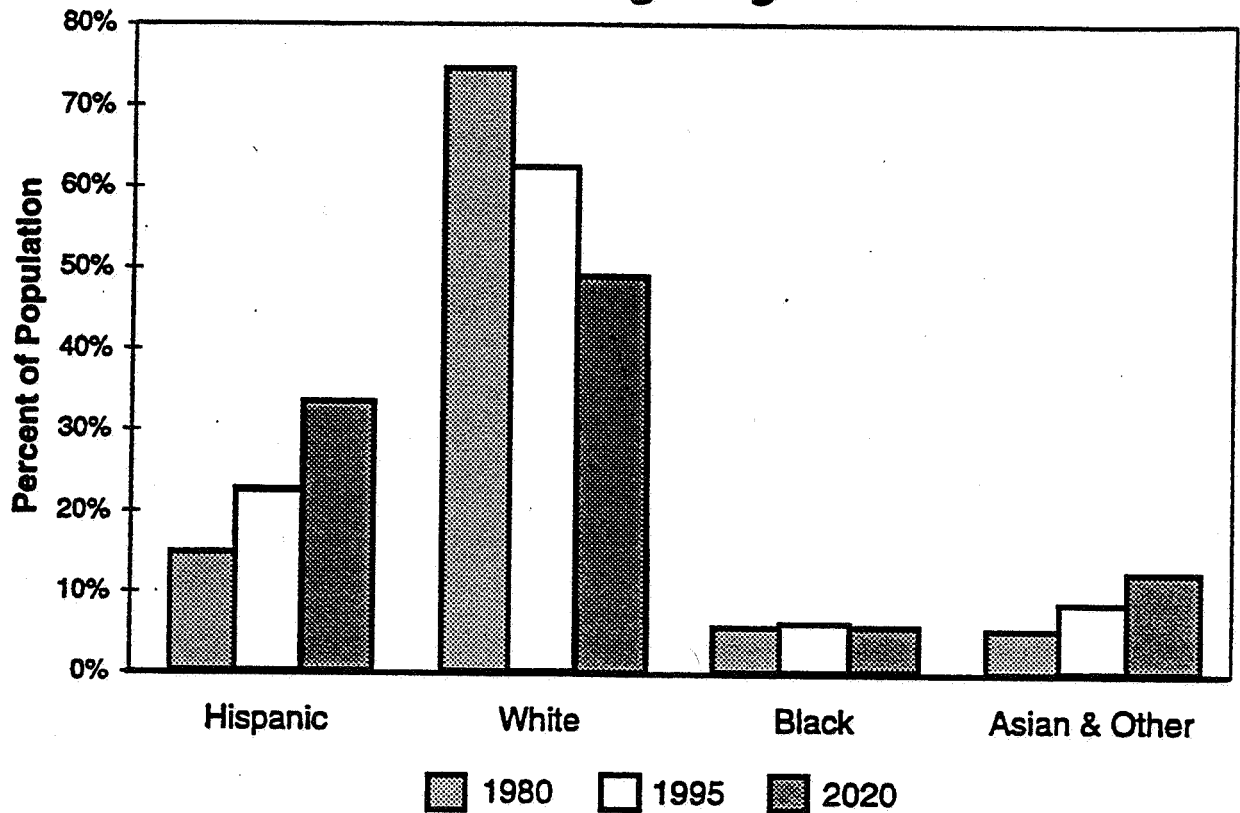
Table 1 Race and Ethnicity, City of San Diego, 1990 and 1997				
	1990		1997	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Hispanic	229,519	20.7	275,902	23.0
White	651,735	58.7	660,912	55.2
Black	98,852	8.9	105,501	8.8
Asian/Other	130,443	11.7	154,762	12.9
Source: U.S. Census of Population and Housing 1990; Draft Regional Housing Needs Statement Tables, SANDAG, November 1998				

Ethnic and racial projections are not available by jurisdiction. However, SANDAG's 2020 Forecast projects that regionwide, these trends are expected to continue.

According to the SANDAG 2020 Regional Growth Forecast, the most significant changes are in the ethnic composition of the region's growth of Hispanic and Asian population segments. The Hispanic population is expected to increase by 109% between 1995 and 2020 from about 23% of the total population of the region to 33%. Similarly, the Asian and other population segment are estimated to grow by 102% by the year 2020. That would be an increase from 8.7% of the City's total population in 1995 to 12.2% in 2020. Figure 4 (page 110) compares the share of population regionwide for the major ethnic and racial groups.

Figure 4

Share of Population by Ethnicity – 1980, 1995, 2020
San Diego Region



Source: 2020 Regionwide Forecast, San Diego Association of Governments, July 1998.

E. Housing Characteristics

This section describes the current profile of the San Diego housing market since the 1991 Housing element was prepared. It includes information on basic characteristics of San Diego's housing stock, vacant units, housing costs and affordability, and existing lower-income housing. Overall, San Diego's housing stock increased from 431,722 in 1990 to 460,674 in 1998 for a 6.7% increase.

1. Size and types

Single-family detached dwellings continue to dominate the local housing inventory, although their proportion has declined steadily from 1970 to 1998. In 1970, single-family units comprised 65 percent of all housing units. By 1991 single-family dwellings had declined to 56.8 percent of the total housing stock, and by 1998, the single-family housing stock had decreased further to 55% of the housing stock.

Regionwide, in 1997, single-family units comprised 58.6% of the regional housing stock. The SANDAG Preliminary 2020 Regional Growth Forecast projects that the single-family housing stock will decline slightly to 58.2% by 2005 and decline further to 56.8% of the entire housing stock by 2020.

The proportion of multi-family units have steadily increased. In 1970, multi-family units comprised 31 percent of all housing stock. In 1991 multi-family housing comprised 41.7 percent of the housing stock. By 1997 multi-family units comprised 43.7% of the total housing stock.

Regionwide, in 1997, multi-family units comprised 36.7% of the regional housing stock. The 2020 Regional Growth Forecast projects that the proportion of multi-family units are expected to continue increasing reaching 37.7% in 2005 and 39.7% by the year 2020.

According to SANDAG's projections on housing stock growth, between 1998 and 2004, the total number of occupied housing units, in the City of San Diego, will increase 8.3% from 470,860 in 1999 to 510,645 in 2004.⁹

Table 2 illustrates the number of housing units by type in the City of San Diego for 1991 and 1997.

⁹This projection is based on the Regional Share Housing Unit Allocation for the 1999 - 2004 Housing Element cycle, as approved by the SANDAG Board of Directors.

Table 2 Number and Types of Housing Units City of San Diego, 1991 vs. 1997				
	1991		1997	
	Number	Percent	Number	Percent
Single-Family	245,014	57	253,768	55
Multi-Family	179,924	42	201,181	44
Mobile-Homes	5,725	1	5,725	1
Total	431,145	100	460,674	100
Source: SANDAG Population and Housing Estimates, January 1, 1998				

Table 3 breaks down the number of housing units built annually since 1991 for single-family units and multi-family units. The multi-family units are further broken down by units in buildings having 2-4 units and units in buildings having 5 or more units.

Table 3 Units Completed by Size of Structure City of San Diego, 1991-1998									
Units Per Structure					Units Per Structure				
	1	2-4	5+	Total		1	2-4	5+	Total
1991	1,319	384	3,277	4,980	1996	1,629	336	766	2,731
1992	1,279	375	2,836	4,490	1995	1,341	148	524	2,013
1993	1,306	295	1,603	3,204	1996	1,629	336	766	2,731
1994	1,994	418	747	3,159	1997	2,788	434	221	3,443
Source: City of San Diego, Planning and Development Review Department, California Department of Finance									

Overall, the number of housing units developed in San Diego steadily decreased between 1991 and 1996 in response to recessionary economic conditions. During this period, the rate of single-family construction held relatively constant, but the rate of multi-family housing development for structures having 5 or more units declined steadily. Although, there was a regional decline in housing units added between 1990 and 1997, of those 72,517 added, 42 percent were in the City of San Diego.¹⁰

¹⁰Regional Housing Needs Statement, May, 1999, p. 63.

The dramatic slowdown in multi-family construction has been attributed to several factors including high land costs, the slowness of rent levels to rise, complex and lengthy permit processing requirements, the tendency of many communities and neighborhoods to resist multi-family housing and the proliferation of construction defect lawsuits which has constrained developers ability to build condominium developments. These factors will be addressed in other sections of the Element.

Table 4 further breaks down the development of single-family units into the attached and detached categories.

Table 4 Single-Family Housing Production City of San Diego, 1992 - 1997		
Year	Detached	Attached
1992	1,181	0
1993	1,294	0
1994	1,994	0
1995	1,184	157
1996	1,468	155
1997	2,175	613
Source: City of San Diego, Planning and Development Review Department, California Department of Finance		

Table 4 illustrates that between 1992 and 1995, all single-family development was in the detached category. Finally, in 1995 a modest number of attached single-family units were added. This number grew to 613 in 1997. The primary reason for the modest production of attached units was the proliferation of construction defect lawsuits and the consequent difficulty of developers in obtaining liability insurance.

2. Age of Housing

Age is an important indicator of housing condition. One measure of age is the number or percentage of housing units built before 1940. Most of the housing stock in San Diego is relatively new. About 9.6% of San Diego's housing stock was built before 1940 and is generally in good condition. In comparison, 50% of the housing stock has been built in San Diego since 1970. Table 5 illustrates the number of housing units built in San Diego by the decade.

Table 5 Age of Housing Stock, City of San Diego		
Years	Units	Percent
Before 1940	44,373	10
1940 - 1949	35,619	8
1950 - 1959	72,414	15
1960 - 1969	77,111	17
1970 - 1979	108,949	23
1980 - 1989	94,649	21
1990 - 1998	28,952	6
Total	462,064	100
Source: SANDAG, Draft Regional Housing Needs Statement Tables, November 1998		

3. Tenure

The ratio of owner-occupied housing units vs. rental units is an important indicator of stability. According to the 1990 Census housing stock data, 48.3% of San Diego's housing stock is owner-occupied, while 51.7% is renter occupied. Historically, the rate of homeownership in San Diego has been below that of the state and the nation. (In 1990, the U.S. homeownership rate was 64% and the rate in California was 59%). The primary reasons for San Diego lagging behind in homeownership are: (1) San Diego's population composition which includes a high proportion of transient military personnel and students; (2) a historical wide disparity between San Diego's income levels and the high cost of housing locally. Updated statistics on the proportion of owner-occupied vs. rental occupied units since 1990 are not available.

4. Condition

The condition of the housing stock is a result of a variety of factors including age of the housing stock, extent of overcrowding, and the availability of plumbing for exclusive use.

Most of San Diego's housing stock is in good condition. As was stated earlier in the "Age of Housing" section, 90 percent of the housing stock was built since 1940. However, as recently as 1990, according to the 1990 Census, San Diego still had 2,816 units with no plumbing for exclusive use. This number constituted 0.7% of the housing stock.

Finally, as of 1990, San Diego had 40,603 units, or 10 percent of the total housing stock, which met the U.S. Census Bureau definition of overcrowding (a housing unit containing more than one

person per room). This represents a 113 percent increase from the 1980 figure of 19,072 overcrowded units. Although updated estimates on overcrowding since 1990 are not available, it is likely that the incidence of overcrowding has increased, since the population has increased by 10% and the number of housing units has increased by only 6.7%.

5. Vacant Units and Vacancy Rate

Vacant units include (1) those units which are readily available to prospective tenants or home buyers and (2) vacant seasonal and migratory units which are generally unavailable to the public. The vacancy rate is a function of the relation between the cost, supply and demand for housing. It indicates what proportion of the active housing stock is available to prospective tenants or home buyers for occupancy over a given time period.

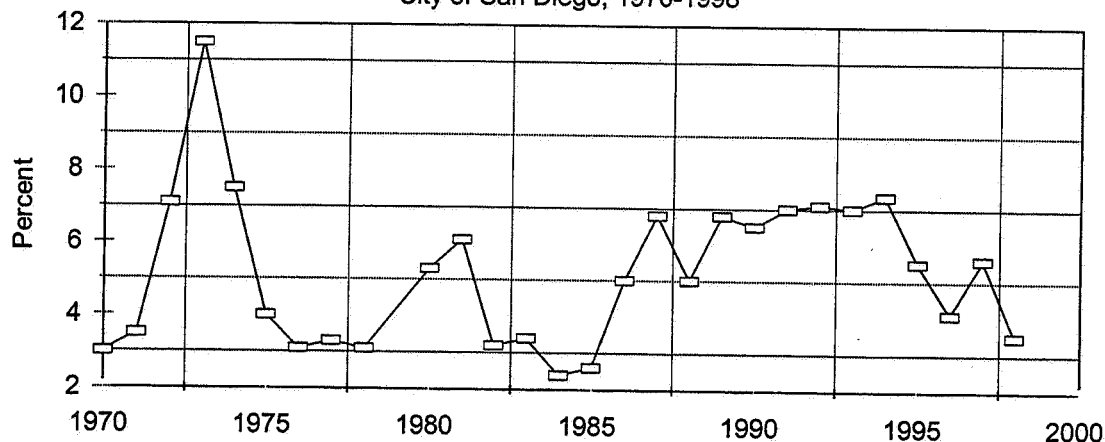
In an ideal housing market, some housing units should always be vacant and available at any given time to households seeking shelter. Ideally, the vacancy rate should fall between an overbuilt market (usually considered 7 percent vacancy) and an underbuilt market (below 3 percent vacancy). An overbuilt market implies mounting mortgage risks to lenders, investors, and developers; while an underbuilt market tends to restrict residential mobility and drive up housing prices as households compete for limited available units.

Figure 5 (page 116) illustrates the declining nature of the apartment rental vacancy rates in the City of San Diego since 1994. The vacancy rate has declined steadily from 7.3% in 1994 to 3.5% in the Spring of 1998. This vacancy rate falls very close to the "underbuilt" market, and is a result of the declining number of housing units built per year since 1990, particularly multi-family units.¹¹

The SANDAG 2020 Regional Growth Forecast projects that between 1995 and 2020 the overall demand for housing in the region will increase by 41%. In 1995 the housing stock in the region was 996,400 units whereas by 2020, 405,800 additional housing units will be needed (raising the total to 1,402,500) to accommodate anticipated regional population growth.

¹¹SANDAG Population and Housing Estimates, January 1, 1997

Figure 5
APARTMENT VACANCY RATES
City of San Diego, 1970-1998



Source: U.S. Census 1970, 1980; City of San Diego Planning and Development Review Department; San Diego Apartment Association Surveys, 1991-1998

F. Employment Trends and Forecasts

Total civilian employment in the region as of 1997 was estimated at 1,281,600, an increase of 296,800 from the 1990 figure. Employment in the San Diego region is expected to grow by 44% by the year 2020 to 1,839,400. However, the job growth is expected to grow within different employment sectors than in the past. Historically, San Diego's leading employment sectors have been manufacturing, defense and tourism. However, in the early 1990's the local economy underwent major restructuring with the end of the Cold War resulting in significant losses of manufacturing employment, particularly defense related manufacturing. Base closures also affected San Diego, with the closure of the Naval Training Center. However, jobs lost through this closure were more than canceled out by increases in military jobs as new military functions were to San Diego.

Since 1990, several new economic clusters have emerged in the region, creating new employment opportunities while other clusters have been contracting. Since 1990, the number of residents employed in the recreational goods and biotechnology/pharmaceuticals clusters has doubled and the number of new jobs in the communications and software/computer services clusters have increased by more than 50%.

In absolute terms, the visitor services cluster has generated the highest number of new jobs (36,000), accounting for two-thirds of all cluster employment growth since 1990. At the same time, employment in the defense and transportation manufacturing cluster has declined by more than 50% and the financial services cluster has decreased by 35%.

The Preliminary 2020 forecast projects that the stagnation in manufacturing employment will continue while the fastest growing economic sectors will be Software and Computer Services, Business & Financial Services, and Health Care.

**HOUSING ELEMENT
VOLUME II**

HOUSING NEEDS ASSESSMENT

II. HOUSING NEEDS ASSESSMENT

A. Purpose

This section forms the foundation upon which goals, objectives, policies, and recommendations and implementing actions are based. This foundation includes an analysis of the housing needs of all segments of the current and projected San Diego population and describes the special housing needs of individual segments of the population.

B. Key Findings

- **As of July 1998 the median price of a resold house in San Diego County was \$215,000, representing a 18 percent increase from 1997 and a 23 percent increase from 1995. Consequently, the National Association of Homebuilders recently ranked San Diego as the 15th least affordable homeowner market in the country.**
- **As of 1998, as the economy heated up again, only about 25 percent of San Diego households could afford the median priced home of \$215,000. This homeownership affordability rate was much higher in March 1994 (during the recessionary period), reaching 40 percent, when the median priced home was \$181,500.**
- **The average rental rate, according to Market Profiles Inc., increased by 8 percent countywide, between May 1997 and May 1998.**
- **Centre City Development Corporation - Since the inception of the downtown redevelopment program in the 1970's, a total of 3,899 dwelling units has been constructed or rehabilitated. Of these units, 36 percent have been for low and moderate income residents, including 59 percent (21 percent overall) for very low-income residents.**
- **In 1997, between 24% and 33% of all single-family houses sold in the United States were manufactured (mobile homes). Since 1980, manufactured housing has represented more than 14 percent of all U.S. housing production. As of January 1997, the City of San Diego had 5,725 occupied mobile home units.**
- **There are two major factors which threaten the future of mobile home units, an important source of affordable housing. First, the high cost of land makes it more profitable to seek more intensive forms of land development which usually offers a greater return to the investor than mobile home parks. Second, the advantage of reduced construction financing associated with**

manufactured housing tends to be canceled out when a discretionary land use permit is required by the City since the permit processing time may be lengthy.

- **Over 5,300 affordable housing units are potentially “at risk” of converting to market rate status due to expiring federal or local regulatory agreements, between fiscal year 2000 and fiscal year 2009. About 5,000 are at risk between 2000 and 2005 and 2,760 of the 5,000 are at risk due to possible prepayment of federally subsidized mortgages. The remaining units are at risk due to expiring local regulatory agreements.**
- **The elderly population throughout the region is expected to increase 19 percent between 1995 and 2000 and by 74 percent between 2000 and 2020. This growth will create demand for a variety of housing options for the elderly. These will range from small, low-cost housing near public transportation and health care facilities to intermediate care and assisted living facilities offering a full complement of services, depending on need.**
- **San Diego currently has an estimated 120,630 people with disabilities who have specialized housing needs. Many however are on fixed income or are unemployed.**
- **San Diego has approximately 1,000 farmworkers and day laborers, many of whom live in canyons or shared apartments, creating overcrowded living conditions. There are only 32 housing units specifically for farmworkers in the City (in San Pasqual Valley).**
- **There are approximately 5,500 urban homeless in San Diego, with an estimated 2,400 shelter beds to serve them. This leaves an unmet need of approximately 56 percent.**

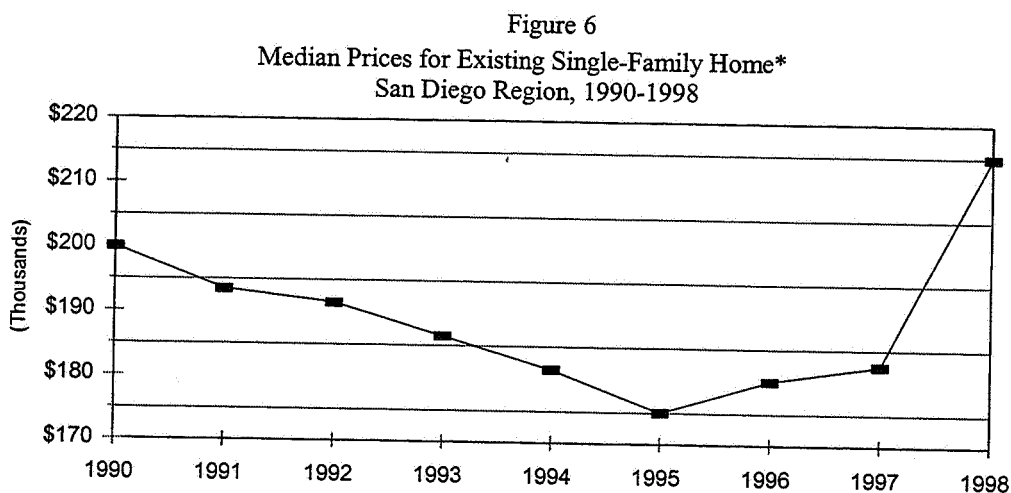
C. Housing Costs, Income, and Affordability

Housing costs and affordability are vital issues affecting many San Diegans today. The federal standard definition of affordability for rental housing is that a household should spend no more than 30 percent of its gross income for monthly housing costs and utilities. For homeowners, affordability is typically defined as paying no more than 35 percent of gross monthly income for mortgage, insurance, and taxes. Lower income households tend to have a particularly difficult time finding affordable housing, given costs in San Diego. This subsection discusses the relationship between housing costs, income, and affordability for both renters and owners. Appendix B provides the state definitions of affordability for both owners and renters from the California Health and Safety Code.

1. Owner-Occupied Housing

As of July 1998, the median price of a resold house in San Diego County was \$215,000.¹ Between 1991 and 1995, the median price for an existing single-family home declined by 9.6%, \$193,500 to \$175,000². However, by 1996, the median price of a home increased 10% to \$180,000 and rose again to \$182,500 by 1997³. Consequently, the National Association of Homebuilders recently ranked San Diego as the 15th least affordable homeowner market in the country⁴.

The rapid price appreciation of single-family homes since 1997 has had the effect of significantly decreasing affordability for single-family homes. Figure 6 illustrates the changes in the median price for existing single-family homes in the San Diego Region since 1990.



Source: Economic Research Bureau, Greater San Diego Chamber of Commerce, San Diego Association of Realtors

* The 1990-1997 median prices were obtained from the San Diego Chamber of Commerce. The 1998 value was taken the San Diego Association of Realtors.

Generally, the factors affecting the affordability of homes include interest rates, demand as expressed in home prices, income, and employment trends, land prices, and availability of vacant land zoned for residential use. The amount of vacant land, infill and redevelopment land in the

¹San Diego Association of Realtors Report, August, 1998.

²Economic Research Bureau, Greater San Diego Chamber of Commerce.

³San Diego Chamber of Commerce, Economic Bulletin, Volume 45, #9.

⁴San Diego Daily Transcript, Homebuilding In San Diego Fueled By Growing Economy, June 29, 1998.

City, designated for residential use, is detailed in the "Land Inventory" section of the Governmental Constraints chapter and land costs are discussed in the "Land Prices" section of the Nongovernmental Constraints chapter.

The impediments to homeownership are reflected in the number of San Diego homeowners between 1990, 1994, and 1998. In 1990, only 18% of San Diego households could afford the median priced house of \$200,000. In March 1994, due to the recessionary economy, the cost of the median priced home had declined to \$181,500. Consequently, the proportion of San Diego households who could afford the median priced house rose to over 40%. As of 1998, as the economy heated up again, this figure had declined to 24.9%.⁵

The high prices of single-family homes have resulted in households overpaying for housing. Table 6 (page 123) summarizes the total number of homeowner households, within the low-income category, overpaying for housing.

⁵U.S. Housing Market, Special Report, September, 1997, National Association of Realtors, Real Estate Outlook

Table 6 City of San Diego, Low-Income Homeowners Overpaying for Housing						
Income Level	Elderly Households⁶	Percent	All Other Homeowners⁷	Percent	Total Homeowners⁸	Percent
0-30%MFI⁹	5,745	-----	4,220	-----	9,965	-----
Overpaying¹⁰	3,504	61%	3,125	74%	6,629	67%
31-50%MFI	6,224	-----	5,070	-----	11,294	-----
Overpaying	1,887	30%	3,273	65%	5,160	46%
51-80%MFI	9,422	-----	13,943	-----	23,365	-----
Overpaying	2,070	22%	8,607	62%	10,677	46%
Total Low Income¹¹	21391	-----	23,233	-----	44,624	-----
Total Overpaying¹²	7,461	35%	15,005	65%	22,466	50%
Source: U.S. Department of Housing and Urban Development, Comprehensive Housing Affordability Data Book, 1993						

This table shows that of the “total homeowners” within the low-income bracket, approximately half overpay for housing. Of the total homeowners, approximately 35% of the “elderly” overpay (see p.137 for more discussion on the “elderly”) and approximately 65% of “all other homeowners” overpay for housing.

In an attempt to increase homeownership affordability, financial institutions in the City of San Diego, are attempting to attract first time homebuyers by addressing requirements under the Community Reinvestment Act to broaden service to all parts of the City. These efforts include

⁶Elderly Household - A one or two person household in which the head of the household is at least 62 years of age.

⁷All other Owners - non-elderly, one-person households

⁸Total Owner Households - Elderly and All Other Owners.

⁹MFI - Median Family Income

¹⁰Overpaying - households paying over 30 percent of their income toward housing. See appendix B and appendix M.

¹¹Includes all homeowners within the (0-80%) MFI categories.

¹²Total low-income households overpaying.

mortgage lending in low and moderate-income areas. The City is also attempting to boost its homeownership affordability rate by providing public funding opportunities for homeownership for low-income first-time homebuyers.

In San Diego, this funding has come from a variety of sources such as redevelopment financing, local monies made available through the Housing Trust Fund, federal monies provided through HOME Investment Partnership Program and tax assistance channeled through the Mortgage Credit Certificate Program. Since the inception of the City's first-time homebuyer program in 1990, through fiscal year 1997, more than 2,200 San Diego families have been able to purchase their own homes with the assistance of the Housing Commission's Mortgage Credit Certificate Program.

The financial assistance to first-time homebuyers is expected to continue as the City's policies and programs detail in Goal IV of Volume I. Additionally, the City will continue to support the use of redevelopment set-aside funds for new construction of owner-occupied units (Volume I, p.88). When taken together, each of these factors will help boost homeownership opportunities for low-income first time homebuyers.

2. Rental Housing

Multiple dwelling units, either apartments or condominiums, account for 458,000 units, or 45 percent of the total San Diego residential market. According to Market Profiles of San Diego, a real estate market research firm, between May 1997 and May 1998, the average monthly rent had risen 8 percent countywide, from \$693 to \$746.¹³ The Spring 1998 Vacancy Survey conducted by the San Diego County Apartment Association (SDCAA) shows that the average rent declined from \$686 in the Spring of 1997 to \$648 in the Spring of 1998, a 5.5% decrease. The apparent inconsistency between these two findings may be attributable to the different survey methodologies.¹⁴

Table 7 compares the Apartment Association's average rental rates in the region for Spring 1995 to Spring 1998. The table indicates that some rents have actually declined. Rents for studios, 1 bedroom and 2 bedroom apartments have all declined between Spring, 1997 and Spring, 1998.

¹³San Diego Union Tribune, May 17, 1998

¹⁴Market Profiles surveys approximately the same complexes each year. The survey is limited to complex having 25 units or more and therefore represents a segment of the market. The Apartment Association survey is mailed to thousands of apartment owners each year. The survey results depend on who returns their survey each year. The results can also be skewed by different survey return rates in different zip codes.

Table 7
Rental Rates, San Diego Region, Spring, 1995 - Spring, 1998

	Spring 1998	Spring 1997	Spring 1996	Spring 1995
Studio	\$448	\$509	\$515	\$478
1 Bedroom	\$543	\$628	\$601	\$562
2 Bedroom	\$685	\$727	\$702	\$677
3 Bedroom	\$916	\$881*	\$809*	\$804*
Average	\$648	\$686	\$656	\$630

Source: Annual Vacancy Survey, San Diego County Apartment Association (SDCAA), Spring 1995-1998; *Survey refers to category as "3 bedroom plus"

Table 8 shows that rental unit affordability is inversely proportional to unit size. As the number of bedrooms rises, the affordability declines. A comparison of average rental rates in Tables 7 and 8 with the San Diego Housing Commission's Income and Rent Calculations Chart (Table 10, p. 128) shows this relationship.

Table 8
Rental Rates in Comparison to Affordability
City of San Diego, Spring, 1998

No. of Bedrooms	Units Surveyed	Avg. Mo. Rent	Affordability in Relation to MAI*
Studio	1,418	\$445	60% or less
1 Bedroom	9,150	\$534	60% or less
2 Bedroom	10,190	\$706	70% or less
3 Bedroom	1,185	\$950	90% or less

Source: San Diego Apartment Association, Spring 1998 Vacancy Survey, City of San Diego, Planning & Development Review; *MAI = Median Area Income

While average rents have risen 8% between May 1997 and May 1998, they still tend to be affordable toward the top end of the low-income range. A one bedroom apartment at the May 1998 average rent of \$746 would be affordable at 80% of MAI or the top of the low-income range. A 2 bedroom apartment at \$746 would be affordable at 70% of MAI.

However, affordability continues to be a severe problem for very low-income renters. Of 43 metropolitan areas surveyed by HUD, to assess "worst case needs"¹⁵, San Diego ranks among the least affordable. Within the urbanized portions of the same metropolitan areas, San Diego is the least affordable. Table 9 illustrates these comparisons.

Table 9 Worst Case Housing Needs¹ of Very Low-Income Renters Selected Metropolitan Areas			
Metropolitan		Urban	
Locality	% With Worst Case Needs	Locality	% With Worst Case Needs
Philadelphia	49	San Diego	49
Los Angeles	48	Miami	47
San Diego	48	San Francisco	46
Tampa	48	Seattle	46
San Bernardino	47	Anaheim	45
Seattle	46	Sacramento	45
Anaheim	45	Philadelphia	45
Miami	45	Tampa	44
San Francisco	44	Los Angeles	43
Phoenix	42	San Bernardino	43
Source: U.S. Department of Housing and Urban Development, "America's Affordable Housing Shortage," May 1998.			

The San Diego Housing Commission Income and Rent Calculations, Table 10 (page 128) identifies affordable monthly housing costs, including utilities for very low, low, and moderate income households, differentiated by size-of-household and relation to median income for San Diego County.

Table 10 also indicates that in 1998, an affordable housing unit for a two-person household whose income is equal to 60 percent of median area income should rent for no more than \$610 including utilities. After adjusting for utilities, a comparison of affordable rental rates in Table 10, to the average City rental rates in Tables 8 and 9 verifies that only two-person households near the top end of the low-income scale can afford to rent a one-bedroom unit. A gross income of \$23,100 is necessary to afford the average one-bedroom unit renting in the region for \$543 per

¹⁵The U.S. Department of Housing and Urban Development defines "worst case" housing needs as "households which have incomes of less than 50 percent of the area median income and pay over half of their incomes for rent or are living in severely substandard housing".

month. Therefore, the average one-bedroom rental unit is unaffordable to all one and two-person very low-income households, most one-person low-income households, and some two-person low-income households. For two-bedroom units in the region, the average rent is \$685. This level of rent requires an income of at least \$27,450 to be affordable.

The relationship between income and affordability is particularly problematic for large, lower-income households. For example, a 6-person household at the 50 percent level of median area income would have an income of \$29,450 and could afford to spend \$736 per month for housing. However, the average cost for a three-bedroom apartment is \$916 per month which would require an income of about \$36,000 to be affordable. For a 6-person household, \$36,000 is just over the 60 percent level of median area income.

Table 10

SAN DIEGO HOUSING COMMISSION INCOME AND RENT CALCULATIONS

EFFECTIVE: October 1, 1998

U.S. Department of Housing and Urban Development
1998 SAN DIEGO MEDIAN INCOME \$50,800

Family Size	Unit Size	Example Utility*	30%			Very Very Low Income 35%			40%			Very Low Income 50%			
			INCOME	30% RENT		INCOME	30% RENT		INCOME	30% RENT		INCOME	30% RENT	HOME**	
ONE	STUDIO	\$34	\$10,650	\$266	\$232	\$12,450	\$311	\$277	\$14,200	\$355	\$321	\$17,800	\$445	\$411	\$411
TWO	1-BR	\$40	\$12,200	\$305	\$265	\$14,200	\$355	\$315	\$16,250	\$406	\$366	\$20,300	\$508	\$468	\$436
THREE	2-BR	\$50	\$13,700	\$343	\$293	\$16,000	\$400	\$350	\$18,300	\$458	\$408	\$22,850	\$571	\$521	\$521
FOUR	3-BR	\$61	\$15,250	\$381	\$320	\$17,800	\$445	\$384	\$20,300	\$508	\$447	\$25,400	\$635	\$574	\$599
FIVE	4-BR	\$73	\$16,450	\$411	\$338	\$19,200	\$480	\$407	\$21,950	\$549	\$476	\$27,450	\$686	\$613	\$663
SIX	5-BR	\$87	\$17,700	\$443	\$356	\$20,600	\$515	\$428	\$23,550	\$589	\$502	\$29,450	\$736	\$649	\$726
SEVEN	6-BR	\$101	\$18,900	\$473	\$372	\$22,050	\$551	\$450	\$25,200	\$630	\$529	\$31,500	\$788	\$687	\$788
EIGHT			\$20,100			\$23,450			\$26,800			\$33,550			

Family Size	Unit Size	Example Utility*	60%			65%				70%			Low Income 80%		
			INCOME	30% RENT		INCOME	30% RENT	HOME**		INCOME	30% RENT		INCOME	30% RENT	
ONE	STUDIO	\$34	\$21,350	\$534	\$500	\$23,100	\$578	\$544	\$476	\$24,900	\$623	\$589	\$28,450	\$711	\$677
TWO	1-BR	\$40	\$24,400	\$610	\$570	\$26,400	\$660	\$620	\$543	\$28,450	\$711	\$671	\$32,500	\$813	\$773
THREE	2-BR	\$50	\$27,450	\$686	\$636	\$29,700	\$743	\$693	\$670	\$32,000	\$800	\$750	\$36,600	\$915	\$865
FOUR	3-BR	\$61	\$30,500	\$763	\$702	\$33,000	\$825	\$764	\$763	\$35,550	\$889	\$828	\$40,650	\$1,016	\$955
FIVE	4-BR	\$73	\$32,900	\$823	\$750	\$35,650	\$891	\$818	\$827	\$38,400	\$960	\$887	\$43,900	\$1,098	\$1,025
SIX	5-BR	\$87	\$35,350	\$884	\$797	\$38,300	\$958	\$871	\$887	\$41,250	\$1,031	\$944	\$47,150	\$1,179	\$1,092
SEVEN	6-BR	\$101	\$37,800	\$945	\$844	\$40,950	\$1,024	\$923	\$948	\$44,100	\$1,103	\$1,002	\$50,400	\$1,260	\$1,159
EIGHT			\$40,250			\$43,600				\$46,950			\$53,650		

Family Size	Unit Size	Example Utility*	Moderate Income 90%			100%			110%			Moderate Income 120%		
			INCOME	30% RENT		INCOME	30% RENT		INCOME	30% RENT		INCOME	30% RENT	
ONE	STUDIO	\$34	\$32,000	\$800	\$766	\$35,550	\$889	\$855	\$39,100	\$978	\$944	\$42,650	\$1,066	\$1,032
TWO	1-BR	\$40	\$36,600	\$915	\$875	\$40,650	\$1,016	\$976	\$44,700	\$1,118	\$1,078	\$48,750	\$1,219	\$1,179
THREE	2-BR	\$50	\$41,150	\$1,029	\$979	\$45,700	\$1,143	\$1,093	\$50,300	\$1,258	\$1,208	\$54,850	\$1,371	\$1,321
FOUR	3-BR	\$61	\$45,700	\$1,143	\$1,082	\$50,800	\$1,270	\$1,209	\$55,900	\$1,398	\$1,337	\$60,950	\$1,524	\$1,463
FIVE	4-BR	\$73	\$49,400	\$1,235	\$1,162	\$54,850	\$1,371	\$1,298	\$60,350	\$1,509	\$1,436	\$65,850	\$1,646	\$1,573
SIX	5-BR	\$87	\$53,050	\$1,326	\$1,239	\$58,950	\$1,474	\$1,387	\$64,800	\$1,620	\$1,533	\$70,700	\$1,768	\$1,681
SEVEN	6-BR	\$101	\$56,700	\$1,418	\$1,317	\$63,000	\$1,575	\$1,474	\$69,300	\$1,733	\$1,632	\$75,600	\$1,890	\$1,789
EIGHT			\$60,350			\$67,050			\$73,750			\$80,450		

- * Assumes apartment utilities consisting of electric heat, gas cooking, gas water heater and other electric utilities. See the "San Diego Housing Commission Utility Allowance Schedule" on the reverse side in order to calculate the utility deduction based on the project's actual utilities mix.
 - ** or HUD published Fair Market Rents for existing housing in the project's area after utility deduction, whichever is less. If HOME funds are used in combination with other programs, the more restrictive rent amounts apply.
- thirty days from January 28, 1998.

1. Income = Gross annual income adjusted by family size.
2. 30% = The monthly amount of family income used for housing expenses. (Annual Income divided by 12 months times .30)
3. Rent = 30% of the family income (as calculated in 2. above) less the utility allowance.

This general income and rental rate information is derived from the U.S. Department of Housing and Urban Development (HUD) median income for San Diego County and should be used only for programs administered by the San Diego Housing Commission.

According to Table 11, approximately 73% of the “elderly” subpopulation overpay for housing (see p.137 for an analysis of the “elderly” population) and 60% of all “large households” within the low-income category, overpay for housing (see p.144 for more analysis of “Large Families”). Overall, approximately 73% of all “lower income renters,” are overpaying for rental housing.

Table 11 City of San Diego, Low-Income Renters Overpaying for Housing						
Income Level	Elderly Households ¹⁶	Percent	Large Households ¹⁷	Percent	Total Renters ¹⁸	Percent
0-30%MFI¹⁹	7,730	-----	5,244	-----	36,999	-----
Overpaying²⁰	5,882	76%	4,554	87%	30,370	82%
31-50%MFI	5,164	-----	5,824	-----	32,132	-----
Overpaying	3,918	76%	3,844	66%	26,479	82.4%
51-80%MFI	4,945	-----	6,460	-----	46,714	-----
Overpaying	3,295	67%	2,038	32%	27,386	58.6%
Total Low Income²¹	17,839	-----	17,528	-----	115,845	-----
Total Overpaying²²	13,095	73%	10,436	60%	84,235	73%
Source: U.S. Department of Housing and Urban Development, Comprehensive Housing Affordability Data Book, 1993						

An analysis of the factors involved in increasing rental costs are summarized in Chapter 1, the “Community Profile” of the Housing Element. The City’s policies and programs especially related to helping alleviate housing costs for those in the lower income range and large, low income households are detailed in Volume I; Goal 1 - New Construction, Goal II - Preservation

¹⁶ Elderly household - A one or two person household in which the head of household is at least 62 years of age.

¹⁷ As defined by the U.S. Department of Housing and urban Development, includes related households of 5 or more persons.

¹⁸ Includes elderly, small-related (2-4 persons), large-related (5+ persons), and “all other” households.

¹⁹ MFI - Median Family Income

²⁰ Include renter households paying over 30 percent of their income on housing costs. See appendix B and appendix M.

²¹ Includes all renter households within the (0-80%) MFI category.

²² Includes low-income households overpaying.

of “at-risk” housing, Goal III - Reduction of Governmental Constraints, Goal IV - Housing Affordability, and Goal V - Community Balance, Reduction of Housing Discrimination, Use of Redevelopment Funds and Energy Conservation.

D. Redevelopment

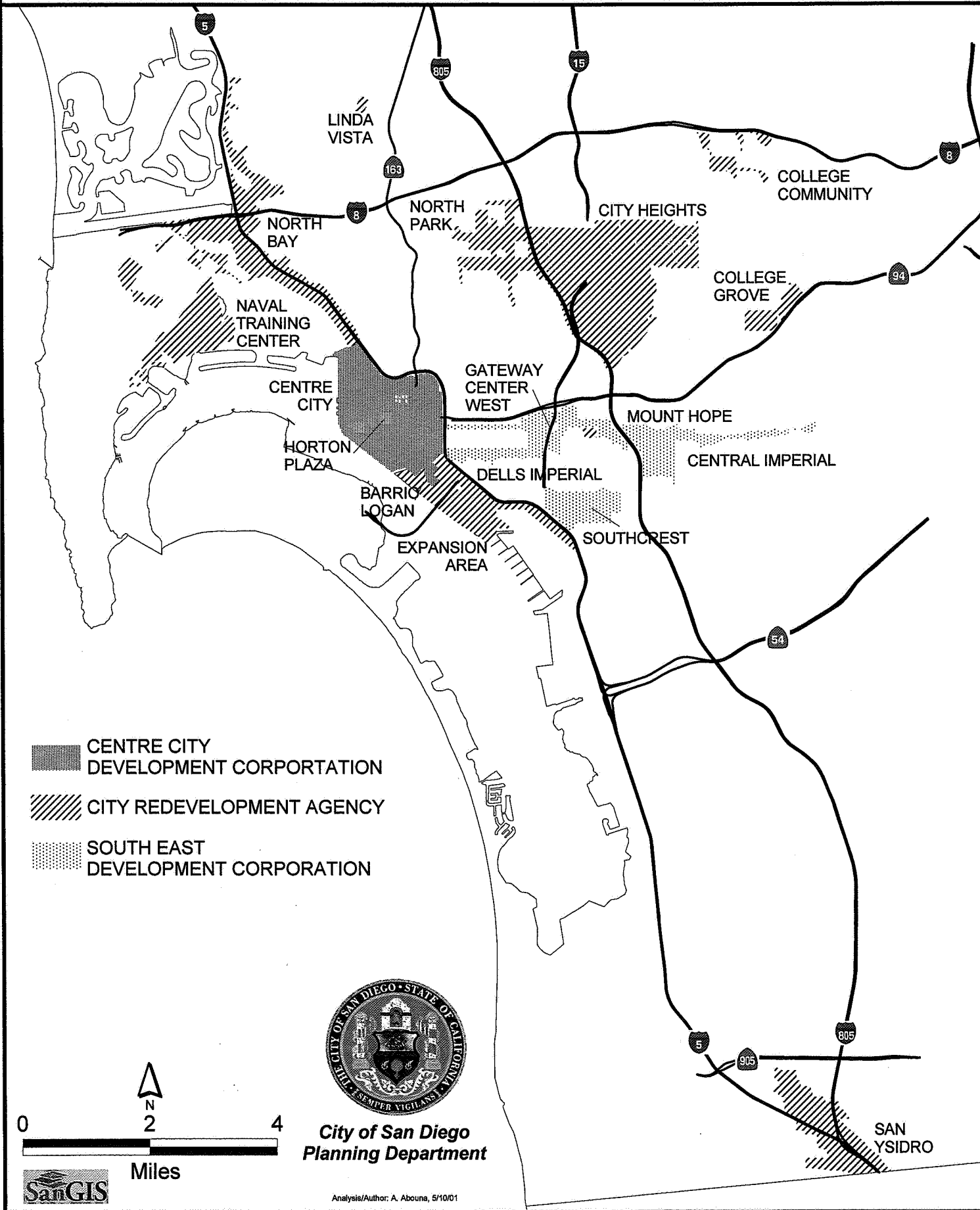
State and local laws have conveyed certain requirements on redevelopment projects with respect to housing. The California Redevelopment Law requires that 20 percent of tax increment revenue derived from a redevelopment project area be set aside to improve the supply of housing for very low, low and moderate income households.

Additionally, the Redevelopment Law requires that 30% of all new or rehabilitated housing developed by the Redevelopment Agency be available at affordable housing cost to persons and families of low or moderate income. Of this 30 percent, 50% of the housing units shall be affordable to very low-income households. In addition, of all new or rehabilitated housing developed within the Project Area by public or private entities or persons other than the Redevelopment Agency, 15% shall be affordable to low or moderate income households, with 40% of this 15% being available to very low-income households.

The Redevelopment Law also requires that the Redevelopment Agency replace any low or moderate income housing units removed from a project area as the result of Redevelopment Agency actions. As required by Redevelopment Law, 20% of all tax increment funds allocated to the Agency are placed in a Low and Moderate Income Housing Fund to assist in the construction and rehabilitation of housing units for low and moderate income residents. These requirements have been met by the Redevelopment Agency. Goal V, “Use of Redevelopment Set-Aside Funds,” describes how redevelopment set-aside funds are proposed to be used in the next Housing Element.

Several redevelopment project areas have been established in San Diego. The largest are City Heights (2,062 acres) Centre City (1,450 acres) and North Bay (1,350 acres). The Centre City Redevelopment Area is administered by the Centre City Development Corporation (CCDC) and the Southeastern Economic Development Corporation (SEDC) administers the redevelopment areas in the southeastern communities of San Diego. Several other areas are administered by the City’s Redevelopment staff. Map 1 shows the location of the City’s redevelopment project areas.

Redevelopment Agency Project Areas



1. CCDC

The Centre City Development Corporation is a public nonprofit corporation and a development agent of the City of San Diego's Redevelopment Agency. Prior to 1992, there were four redevelopment project areas under its jurisdiction: Horton Plaza, Columbia, Marina and the Gaslamp Quarter. In 1992, the latter three areas were combined and expanded to include Centre City East (now known as East Village) to comprise the Centre City Redevelopment Project Area which includes approximately 1,400 acres. The project area covers the City's downtown area and is aimed at upgrading the central business district and adjoining areas with commercial, industrial and residential development.

Since 1992, 876 dwelling units have been developed or rehabilitated within the Centre City Project Area. Of these units, 486 or 55% are for very low or low income residents. Of these 486 units, 354 are for very low-income residents. Since the inception of the downtown redevelopment program in the 1970's, a total of 3,899 dwelling units has been constructed or rehabilitated. Thirty-six percent of these units have been for low and moderate income residents, including 59% (21% overall) for very low-income residents.

The Horton Plaza Redevelopment Plan was adopted prior to the other Redevelopment Plans downtown and before low and moderate income housing requirements were strengthened to current standards. It does not include the 15% requirement or the 1:1 replacement standard. Within the Project Area however, 65 units have been developed since 1992, of which 51 units are for moderate income households.

Many of the households and individuals and individuals displaced as a result of redevelopment activity throughout CCDC's Project Areas were relocated into nearby residential hotels and SRO units. SRO's are particularly prevalent downtown and are considered to be an important source of affordable housing in San Diego.

The designation of a majority of downtown San Diego as a redevelopment area will enable this area to receive focused attention, priority and financial investment. It is anticipated that this will reverse deteriorating trends, create jobs, revitalize the business climate and provide resources for the rehabilitation and expansion of area housing stock.

2. SEDC

The Southeastern Economic Development Corporation is also a public nonprofit corporation and a development agent of the City's Redevelopment Agency. Incorporated in 1981, it is charged with stimulating the revitalization of a seven square mile area in the southeastern section of San Diego. SEDC is responsible for five project areas: Central Imperial, Dells/Imperial, Mt. Hope (Gateway Center East), Gateway Center West and Southcrest. While the major area of emphasis is on economic revitalization, the plans for the areas also focus on the creation and preservation of housing, including housing for low and moderate income households. In fact, 30 percent of all

new or rehabilitated housing units developed by SEDC must be for persons of low or moderate income. Of this amount, at least 50 percent must be for very low-income households.

In the past, very little investment capital had been targeted to the five SEDC project areas, thereby leading to deteriorated conditions. Since its inception, SEDC has been actively seeking private and public investment for the areas. As the Gateway Center Project and the more recent residential and planned commercial projects show, these efforts are beginning to pay off.

The Mount Hope (Gateway Center East) and the Gateway Center West areas together encompass 269 acres. They house the Gateway Center project, a major commercial and industrial park with businesses that employ over 1,000 people. While the Gateway Center West project area is designed primarily for industrial and commercial revitalization, Mt. Hope (Gateway Center East) emphasizes both industrial/commercial development and housing development and rehabilitation. Due to the success of the industrial development, tax increment dollars are now available for low and moderate income homeowners seeking to rehabilitate their properties. The Housing Commission administers the Mount Hope housing rehabilitation program for SEDC and provides technical assistance to the participating homeowners.

The Southcrest project area is 301 acres and includes the development of a 66-acre former CALTRANS right-of-way known as the "252" Corridor. SEDC's redevelopment objectives are to revitalize the area through a mixed use of commercial and residential development. That effort has thus far produced the new Southcrest Park Plaza anchored by a major grocery chain with ancillary retail, 34 new single-family homes, the new Cesar Chavez elementary school and a new Cultural Arts Center. Plans call for the second phase of 62 homes to be completed approximately the year 2000. One block north of the Corridor, 12 units of new housing are under construction.

Similar to the Mt. Hope rehabilitation program, SEDC has implemented a rehabilitation program for low and moderate income homeowners in Southcrest. The program provides grants, low-interest loans and technical assistance for owners who need assistance with plumbing, electrical and heating systems, termite control, peeling paint, broken doors and windows, porch repair and emergency repairs.

The Dells/Imperial study area promotes redevelopment through preservation of the historical character of the neighborhood, promoting multifamily and single-family rehabilitation throughout the area, rehabilitating commercial and industrial property along three main thoroughfares (Imperial Ave., Commercial Ave., and Market Street) and promoting transit oriented development along the East Line trolley.

The Central Imperial project area is 415 net acres and promotes redevelopment through the preservation and revitalization of major commercial areas, the provision of assistance to family owned businesses and development of quality residences.

Between 1996 and 1998, SEDC completed a plan amendment for the Central Imperial area coupled with the purchase of a strategic 30 acre site located just west of I-805. Current plans call for an entertainment and retail center along with restaurants and open space. Meanwhile, 56 single-family homes are under construction in the Lincoln Park neighborhood while nearby, 12 new units have been completed and sold by another local developer.

In an effort to increase homeownership opportunities and promote neighborhood stability, SEDC has implemented a Shared Equity Program. Through this program, financial assistance is available to qualified first-time homebuyers in the form of an equity participation (Shared Equity) loan, secured by a second deed of trust. Since 1995, 55 households have utilized this program and more than \$1.2 million in loans have been made.

SEDC has also launched a major campaign to increase the number of first-time homebuyers. In addition to standard marketing efforts in the form of advertising, the corporation is conducting a series of free workshops that provide instruction on all aspects of homeownership including loan qualification, realtor selection and the credit system.

Some of the oldest neighborhoods in the City are located in SEDC's area of influence and thus have some of the oldest housing stock in San Diego. For this reason, SEDC has put into place a number of program initiatives to assist local homeowners with rehabilitation loans, grants and other financial incentives to upgrade their properties. The local planning committees would also like to see rehabilitation funds targeted for the preservation of historical structures in the area, including historical structures with residential uses.

3. City of San Diego Economic Development and Community Services Department

The nine (9) redevelopment project areas administered by the Redevelopment Division of the City's Community and Economic Development Department also serve as administrative staff to the Redevelopment Agency (City Council). As of 2001, the Division was administering nine discrete redevelopment project areas totaling over 5,000 acres: Barrio Logan, City Heights, College Community, College Grove, Linda Vista, Naval Training Center, North Bay, North Park and San Ysidro. A tenth project area, Market Street Industrial Park, was terminated in December 2000 as the objectives of the plan had been completed.

In 1994, the 144 unit Mercado apartment complex was completed in the Barrio Logan project area, providing housing and services to 83 low and 61 very low income households. Development in Barrio Logan, City Heights and the College Community stalled in FY 97 due to the recessionary economy. No tax increment was generated in these project areas through FY 1998 due to property assessment appeals which lowered the total assessed valuation below the tax increment base.

Two project areas have no residential uses within their boundaries: College Grove Shopping Center and Linda Vista Shopping Center. College Grove low and moderate income housing funds were transferred to the Barrio Logan project area for the Mercado apartments after a Finding of Benefit was adopted by the Agency/City Council. Housing funds in the Linda Vista and the now closed Market Street Industrial Park project areas were transferred to the San Diego Housing Commission for administration of the Linda Vista First Time Home Buyers Program and the Mount Hope Housing Rehabilitation Program respectively. The Linda Vista Program funded nine silent second mortgage loans in the Linda Vista community.

With the economic recovery starting in FY 2000, all project areas have begun to generate tax increment revenue, and as tax increment grows, low and moderate income funds for housing development are also increasing for each project area. North Bay and North Park tax allocation bonds were issued in the fall of 2000. The bond issue totaled \$20 million with \$4.4 million allocated for Low/Moderate Income Housing. As of November 2001, two projects in North Park and several projects in North Bay were in the preliminary planning stage. The NTC Reuse Plan contains an off-site Homeless Assistance Element under which the City committed \$7.5 million to seven local homeless providers in lieu of housing the homeless at NTC. A portion of this total comes from NTC Low/Moderate set-aside funds. As of November 2001, the City Heights Urban Village Townhome Project had 116 units under construction, 34 of which are rent-restricted units for 45 years. At the close of FY 2001, low/moderate income funds for the City Redevelopment project areas (excluding CCDC and SEDC) had reached \$6.07 million total.

E. Manufactured Housing and Mobile Homes

The term "manufactured housing" refers to a form of factory built housing. Other forms of factory built housing include modular houses, panelized houses, log and kit houses. Manufactured houses were previously referred to as "mobile homes." Since they are now rarely moved and many are built on permanent foundations, they are called "manufactured housing." In 1980, Congress formally recognized this term and mandated that it be utilized in all federal laws and publications.

The primary difference between manufactured and modular housing is that modular housing is designed only for permanent foundations and complies with state site-built housing standards. Manufactured housing may be installed either on foundation systems or on pier and pad supports and must conform with standards adopted pursuant to the Manufactured Home Construction and Safety Standards Act of 1974 and is administered by the U.S. Department of Housing and Urban Development (HUD). Modular housing is built to specifications of California Factory Built-Housing Law which also incorporates elements of State standards for site-built units.

In 1997, between 24% and 33% of all single-family houses sold in the United States were manufactured.²³ Since 1980, manufactured housing has represented more than 14 percent of all U.S. housing production. According to the SANDAG Population and Housing estimates, as of January 1, 1997, the City had 5,725 occupied mobile home units.

In the City of San Diego, given the high cost of housing, these 5,725 mobile home units are an important affordable housing resource. However, there are several factors which threaten their future. First is the high cost of land. The return from other, more intensive forms of land development usually offers a greater return to the investor than mobile home parks. Another factor is that where the City requires a discretionary land use permit, the time required to process the permit tends to cancel out the advantage of reduced construction financing associated with manufactured housing.

In addition, although manufactured housing is now a permitted use in all single-family zoning districts, in practice most developers choose to build a traditional single-family house on a lot rather than place a manufactured house on it, even though a manufactured home may reduce overall costs. In San Diego, the construction cost savings associated with manufactured housing must act in concert with land cost savings (achievable perhaps through higher density manufactured dwellings, (see Volume I, Transit Oriented Development Program, p.82) and reduced permit processing times to maximize affordability for low and moderate income households (see "Permit Processing," Governmental Constraints Chapter).

A related issue is escalating rents in mobilehome parks, particularly for lower income residents. Rising land values are fueling the higher rents and are also encouraging conversion of some mobilehome parks, especially those in coastal areas, to other uses. The typical mobilehome park resident already has a substantial investment in his/her unit and would incur significant relocation expenses should space rental increases require a move. In the event that a mobilehome owner must vacate the mobilehome park, the City's Housing Commission has adopted a Mobile Home Relocation Policy, where minimum relocation benefits are to be paid to mobilehome owners (Volume I, p.64).

As of 1998, there appear to be more vacant mobilehome park spaces available than in previous years. However, the number of vacant spaces available at any particular time of course fluctuates with market conditions. And, as land values continue to rise, it can be anticipated that market pressures to convert some mobilehome parks to alternative uses will increase. For this reason, there is a need for a relocation park to serve as a relocation resource for those tenants displaced from a mobilehome park due to conversion to another use.

In response to the relocation issue, in 1985, the City Council adopted an ordinance creating a communication/mediation program concerning matters of mutual interest to park owners and

²³San Diego Union-Tribune, August 9, 1998 "Manufactured Housing's Quality and Good Looks Open the Door for Homebuyers"

residents. The mobilehome mediation/communication program will be continued through this Housing Element cycle (Volume I, p.64). In 1987, the Council adopted an ordinance waiving subdivision mapping requirements for certain forms of mobilehome park conversions and a second ordinance giving mobilehome park resident organizations the opportunity to purchase their parks if threatened with conversion.

More recently, in response to continued issues in mobilehome parks, the Housing Commission has strengthened the mediation/communication program by making mediation services more readily available. Related to the mediation program, the Housing Commission has also established a Mobilehome Community Issues Committee consisting of representatives of both mobilehome park owners and mobilehome owners to attempt to reach a consensus on major issues affecting mobilehome parks. Where the consensus cannot be reached, mediation is then utilized. Additionally, in 1993, the City amended the Mobilehome Park Overlay Zone to remedy deficiencies in that ordinance.

A related need is to encourage the rehabilitation of older, mobilehome coaches in poor physical condition to bring them up to minimal code standards. In order to encourage this rehabilitation, the City will continue its code inspection program (Volume I, p.31) and its mobile home grants program (Volume I, p.48).

F. Preservation of Existing Affordable housing

Between the years FY 2000 and FY 2009, over 5,300 affordable housing units are potentially “at risk” of converting to market rate status because of expiring regulatory agreements. Of these, 5,000 are at risk during the first five years of this period. Of the 5,000 units at risk 2,760 are at risk due to possible prepayment of federally subsidized mortgages. The remaining units are at risk due to expiring local regulatory agreements.

Volume I, beginning on p.33, provides a thorough analysis of the “at-risk” problem and recommendations for addressing it. Technical Appendix D provides an inventory of all multi-family rental projects potentially subject to loss from the low-income inventory during the FY 2000 - FY 2009 period. The inventory includes all federal, state and locally supported projects subject to low-income rent restrictions which could potentially be terminated by FY 2009. A full analysis of the “At Risk” issue is provided in Volume I, Goal II of the Housing Element.

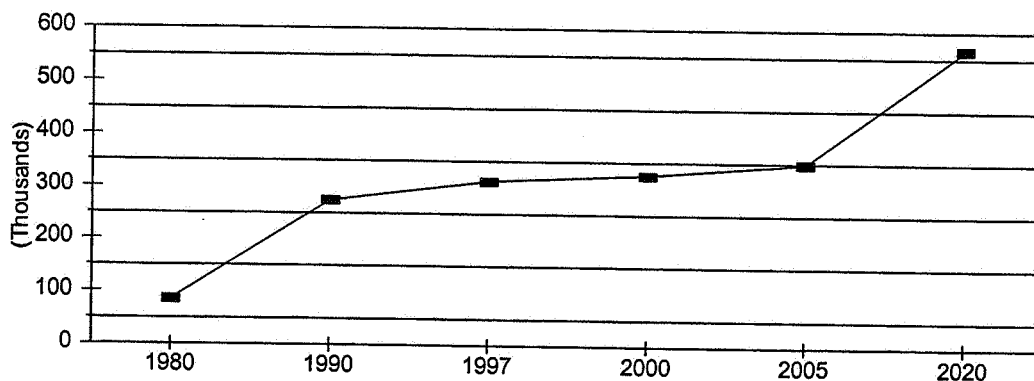
G. Housing Needs of Special Population Subgroups

1. Elderly

Elderly residents have special housing needs by virtue of their usually retired status, frequently reduced income level, and often deteriorating health or physical well being. Some elderly residents need smaller studio apartment units or even single-room occupancy units (SROs) to live independently. Typically, elderly citizens desire to live independently as long as their healths

Figure 7

POPULATION OF 65+ YEARS AND OVER
San Diego Region, 1990-2020



Source: SANDAG, Preliminary Series 9 Regionwide Forecast

permits. However, if their health does deteriorate, it may be necessary to move to some type of assisted living care arrangement. This can range from a nursing home with full 24-hour care to limited in-house assistance or a shared housing arrangement. Financial assistance for construction or acquisition and rehabilitation for units targeted for the elderly is available through HUD's Section 801 program (Volume I, p.17).

Figure 7 illustrates the increasing population of those 65 years and over. Since 1970, most of the elderly growth in the City of San Diego can be attributed to natural aging. This has not been the case at the county level with rural areas in part still attracting many retirement-aged persons.

By 1990, the City's total number of persons aged 65 years and older was 113,495 and comprised 10.2 percent of the total population, a 1 percent increase since 1980. This increase is attributed primarily to the aging of that portion of the 1980 population in the 55-64 age bracket. SANDAG projects that by 1997, those 65 years and older reached 129,534, representing a 14 percent increase from 1990.

In the region, SANDAG's Preliminary 2020 Regional Forecast projects that the number of persons 65 years and older will increase by 19 percent from 274,603, in 1990 to 324,920 by the year 2000. An even more dramatic change is expected to occur between the years 2000 and 2020, when the population of persons 65 years and older are projected to increase by 74 percent from 324,920 to 566,090. The large increase between 2005 and 2020 is clearly the result of the aging of the "baby boom" generation.

Given the relatively high cost of living in San Diego, it could be that out-of-state retirees have essentially been priced out of the local housing market. This process would be responsible for

considerably reducing in-migration by the elderly.

According to the San Diego County Agency on Aging, the population over 65 years of age has four main concerns:

- (1) Income: At least half of those who are over 65 and retired live on a fixed income.
- (2) Health Care: Because the elderly have a higher rate of illnesses, easy access to good health care facilities is crucial.
- (3) Transportation: Many seniors utilize public transportation. However, seniors frequently have a disability which prevents them from using public transportation.
- (4) Housing: Of those over 65 years of age or older in San Diego County, according to the 1990 Census, 40% rent and 60% own their own homes. And of those 65 years of age or older, 25% live alone. In the City of San Diego, of those 65 years and older, 32% rent and 68% own their own homes.²⁴

These characteristics indicate the need for smaller, low-cost housing units which have easy access to public transportation and health care facilities. These factors should guide the development of new housing for low-income elderly households.

The housing needs of the elderly include supportive housing such as intermediate care facilities, group homes, Single Room Occupancy (SRO) housing, and other housing that includes planned service components such as personal care, housekeeping, meals, personal emergency response, and transportation. The continued support for integrating the elderly and locating them near essential services are identified in Volume I, p.13. Volume I, p.63, describes the City's support for a shared housing program for the elderly.

As the elderly population continues to grow, it is anticipated that demand for a variety of elderly housing options will increase proportionately. In addition to traditional elderly housing facilities which offer independent living units, it is likely that demand for intermediate care and assisted living types of facilities will also increase. And, it is likely that demand for developments offering a full range of living arrangements for the elderly in one facility or campus will grow.

In anticipation of this trend, the City needs to re-examine its development regulations for elderly oriented facilities to insure that its regulations allow sufficient flexibility to enable the marketplace to respond to these demands and identifies appropriate siting and design guidelines and standards.

²⁴U.S. Department of Housing and Urban Development, Comprehensive Housing Affordability Data Book, 1993

2. Persons with Disabilities

Several federal and state statutes include provisions which affect the provision of housing for persons with disabilities. Although not comprehensive, these statutes include the Fair Housing Act Amendments of 1988, the Americans with Disabilities Act of 1990, the Housing and Community Development Act of 1992 and Section 504 of the Rehabilitation Act of 1973.

The Fair Housing Act Amendments of 1988 (FHAA) define “disability”²⁵ as

- (1) A physical or mental impairment which substantively limits one or more of such person’s major life activities;
- (2) a record of having such an impairment; or
- (3) being regarded as having an impairment, but such term does not include current illegal use of or addiction to a controlled substance.

The FHAA requires local jurisdictions to “make reasonable accommodations in rules, policies, practices, or services when such accommodations may be necessary to afford such person equal opportunity to use and enjoy a dwelling.”²⁶ Additionally, the FHAA requires all multi-family housing units having four or more units with an elevator, or ground floor units in non elevator buildings built after March 1991 to comply with accessibility guidelines.

Title II of the Americans with Disabilities Act of 1990 prohibits discrimination against persons with disabilities by state and local governments. Thus, any housing development project owned or managed by the City or City sponsored housing would come under this protection.

Title VI of the Housing and Community Development Act of 1992 allows public housing authorities and publicly assisted housing providers to designate buildings or parts of buildings as “Designated-Elderly,” “Designated-Disabled,” “Mixed Elderly” and “Disabled housing.”

Section 504 of the Rehabilitation Act of 1973 prohibits discrimination by any federal program that receives federal funds. This prohibition would apply to public subsidized housing and publicly assisted housing providers.

Section 504 provides for allowance of physical changes in housing that are needed to accommodate persons with disabilities both by requiring that the person with a disability be allowed to modify existing premises and by requiring that future multi-family dwellings be constructed with certain accessibility enhancing features. Under Section 3604(f)(3)(C), design and construction of new housing first occupied after March 1991 must incorporate several

²⁵(42 U.S.C. section 3602[h])

²⁶(42 U.S.C. section 3604 (f) (3) (b))

adaptability access design features.

All units on the ground floor in buildings without elevator access and all units in buildings with elevators must incorporate minimum adaptability standards.

- (1) All doors designed to allow passage must be wide enough to accommodate persons in wheelchairs.
- (2) Accessible route into and through the dwelling must be provided.
- (3) Light switches, electrical outlets, thermostats, and other environmental controls must be placed in accessible locations.
- (4) Bathroom walls must be reinforced to allow installation of grab bars.
- (5) Kitchens and bathrooms must have sufficient space to allow people in wheelchairs to move about.

In addition, public and common use areas must be "readily accessible and usable" by people with disabilities.

In the State of California, the California Building Code was amended in the early 1990's to mirror the FHAA requirements. This amendment implements the disability access requirements of Title 24 of the California Code of Regulations.

The primary difference between the FHAA requirements and the Model Building Code is that the California Building Code applies to multi-family projects having 3 or more units while the FHAA provisions apply to projects having 4 or more units. If the units are condominiums, the minimum threshold is also 4 units. Neither the FHAA provisions nor the State provisions apply to existing housing, or upgrades, remodels or rehabilitation of existing housing.

These provisions are enforceable through the building permit approval process. Completed projects which come under these provisions and do not comply are subject to civil suit. Pursuant to state law, no local jurisdiction can adopt provisions that are more restrictive than in the California Building Code.

Currently, there are no disability access requirements at any governmental level for single-family units.

The City of San Diego currently has an estimated 120,630 persons with disabilities.²⁷ This

²⁷ Estimate of the number of disabled person, as derived from estimates taken from the United Way of San Diego County, the City's FY 99 Consolidated Plan, and San Diego Association of Governments (SANDAG).

estimate includes the following subpopulations:

Table 12
Estimated Subpopulations of Disabled Community
City of San Diego

Subpopulation	Estimate
Physically Disabled	28,000
Mentally Ill	22,000
Severely Disabled	41,900
People with AIDS/HIV	14,730
Developmentally Disabled	14,000
Disabled Elderly	20,121
Total	140,751

Source: City of San Diego, Consolidated Plan, FY 99, 1990 Census and California Developmental Disabilities Board for Area XIII

The special housing and locational needs encompass a wide variety of factors depending on the type of disability. Generally, this population experiences hardship as a result of unemployment, low-incomes, and high housing costs in San Diego. This clearly indicates the need for affordable housing for persons with disabilities.

The specific policies and programs related to meeting these needs for people with disabilities are discussed in Volume I: Goal I, New Construction; Goal II, Preservation of Existing Lower Income Housing and Housing Rehabilitation; Goal IV, Housing Affordability, Affordability for Lower Income Renters; Goal V, Reduction of Housing Discrimination and Use of Redevelopment Agency Low and Moderate-Income Set-Aside Funds.

The special needs of subpopulations of people with disabilities are discussed below:

a. Persons with Physical Disabilities

The special needs required for housing the approximate 28,000 physically disabled individuals in the San Diego region include not only affordability but also special construction features to provide for access and use according to the particular disability of the occupant. These needs include accessibility to open and recreational spaces and adequate design inside the home. If accessibility needs are not met, the result can be confinement to the home. Currently, the Veterans Administration offers assistance to veterans with service connected disabilities to modify their homes (Volume I, p.48). In addition to physical modifications, the location of housing for people with disabilities is also important because many households need access to a variety of social services and to other specialized services throughout the City and surrounding area in order to perform daily life activities. The City currently has a Transit-Oriented Development Program intended to devise policies and proposals to achieve urban form which reduces the dependence on the automobile and promotes a more transit and pedestrian oriented

environment (Volume I, p.82). In addition to the housing needs of persons with disabilities, there is a need for support services designed to meet the needs of the particular individual. Ideally, a social worker should be available on-site to assist persons returning to the community from a health care institution.

According to the National Council on Independent Living, approximately 71% of the physically disabled adult population nationally, is unemployed. The ACCESS Center estimates that in the region, the unemployment rate among the physically disabled is 63%. The Access Center also estimates that about 90% of its clientele is on fixed incomes, primarily Social Security SSI payments. These payments average approximately \$650 per month. Based on the criterion that approximately 30% of gross income should go for housing, \$650 per month equates to monthly housing expenses of \$195, clearly unrealistic in San Diego. Although Social Security provides incentives for disabled persons to work, they are often insufficient to enable a disabled person to significantly improve their housing status.

According to The ACCESS Center, a not-for-profit agency whose housing program serves more than 2,000 persons with disabilities, including the mentally ill and physically and developmentally disabled, approximately 1,000 of the 8,500 households receiving Section 8 assistance have at least one disabled member. The ACCESS Center estimates that approximately 500 - 1,000 more persons with disabilities would qualify for Section 8 certificates if they were available. In addition to the Section 8 rental assistance already being received by people with disabilities, other housing options include shared housing (Volume I, p.63) and the construction of affordable units (Volume I, p.17), and the Supportive Housing program designed to promote the development of supportive housing services to assist those with special needs in transition to independent living (Volume I, p.62).

b. Persons with Mental Illness

In the City of San Diego there are an estimated 22,000 mentally ill.²⁸ The Regional Task Force on the Homeless (RTFH) estimate that there is a total of 1,400 severely mentally ill homeless persons in the City.²⁹

A substantial majority of persons in this population depend solely on Supplemental Security Income (SSI) payments of approximately \$600 per month. According to the federal government's definition, housing is considered affordable as long as rental costs consume no more than 30 percent of one household's income. However, relative to the income of individuals with mental illnesses, few persons in this population can afford rental housing on the open

²⁸ Estimate of the number of disabled persons, as derived from estimates taken from the United Way of San Diego County, the City's FY97 Consolidated Annual Plan, and San Diego Association of Governments (SANDAG).

²⁹ Regional Task Force on the Homeless, Regional Homeless Profile, Annual Update on Homelessness throughout San Diego County and its 18 Cities, May 1998.

market and therefore have a need for subsidized housing. The lack of access to stable and decent housing often leads the mentally ill to becoming homeless, near homeless or living in unstable and/or substandard housing situations.

The National Institute of Mental Health (NIMH) and the Regional Task Force on the Homeless approximate that one-third of the homeless suffer from a mental illness. The RTFH report that on any given night there are approximately 1,900 homeless mental ill in the County. Of these, 1,400 are in the City of San Diego³⁰. There is no accurate data on the incidence of mental illness in the homeless population of farm workers and day laborers, although it is generally believed to be lower.

The homeless mentally ill have very few resources available to them. There are only 135 shelter beds in the City of San Diego specifically targeting the homeless mentally ill, which represents an unmet need of 90%. The homeless mentally ill share the condition of extreme poverty. They typically are unable to work and are usually not connected to entitlement programs.

The San Diego Homeless Demonstration Project funded by the National Institute of Mental Health found that only 30% of the clients were on SSI, yet all of them should have been on SSI because of their severe mental illness. According to the RTFH, studies tend to point to almost a fifth of the homeless mentally ill population not having any income at all.

c. Persons with Developmental Disabilities

The California Developmental Disabilities Board for Area XIII, the advocacy group organization for developmentally disabled persons in San Diego County, states that about 14,000 developmentally disabled persons reside in the City.

While group homes have historically been a viable residential option for persons with developmental disabilities, they are not the only desired housing choice for persons with disabilities. This population is looking for choices other than group living including apartments, condominiums, and houses in the community.

A major barrier to stable, decent housing for the developmentally disabled is the availability of affordable housing. A substantial majority of persons in this population depend solely on Social Security insurance payments of approximately \$640 per month. Based on federal housing standards, affordable rent payments should be slightly over \$520. Relative to their income, few persons in this population can afford rental housing on the open market.

3. Large Families

Large families are defined by the U.S. Department of Housing and Urban Development as any family with five or more members. The trend toward increasing household size in San Diego is

³⁰Ibid

detailed in the Community Profile - Population Characteristics (p.108). Meeting the housing needs of large families is made particularly difficult because market forces provide a strong incentive to produce multiple-dwelling units which have a larger number of one and two-bedroom units and fewer three- and four-bedroom units.

These forces include (1) shrinking household sizes generally (2) high parking requirements, and (3) high land costs which create a tendency on the part of developers to maximize the number of units, in part by building a larger number of smaller units. Larger units would mean fewer units in the same amount of space.

In addition, houses in the older parts of the City typically have only two bedrooms. These units are being rehabilitated with increasing frequency rather than being replaced with newer units. Consequently, the larger houses with three-or-more bedrooms continue to be available primarily in the planned urbanized communities which are further out from the city center and tend to be more expensive. The high costs for single-family homes make it nearly impossible for large, low-income families to purchase a home. Additionally, of the total large, low-income, renter households, in the city of San Diego, approximately 60% overpay for rental housing (refer to "Housing Costs, Income, and Affordability, p.120).

In addition, the same market forces which act as a disincentive for the private sector to provide housing for large families also make it difficult for the public sector to provide adequate housing for large families. Additionally, housing must compete with a variety of other legitimate needs for limited public funds. Evidence of the extent of the problem is found in the significant number of large families on the waiting list for Section 8 certificates and the long waiting lists for three-bedroom units in the public housing program.

There are approximately 8,579 Section 8 housing units, of which 2,374 are zero-to-one bedroom, 3,262 are two bedrooms, and 2,943 are three-or-more bedrooms³¹.

Table 13
Bedroom Distribution of Section 8 Program
of Bedrooms

Section 8 Program:	0-1	2	3+	Total Units
	2,374	3,262	2,943	8,579

Source: City of San Diego, FY 99 Consolidated Annual Plan

³¹City of San Diego, FY 99 Consolidated Annual Plan, Strategic/Action Plan for Community Development.

4. Military

The Naval Complex San Diego consists of 11 military installations located in the San Diego Region. As of 1996 (the most recent year for which information was available), military personnel in San Diego numbered 62,274 representing 38,224 military families in the region. Of this total, 7,216 families can be housed in military-family housing (MFH) units.³² However, a Housing Market Analysis (HMA) Report, prepared for the Navy in 1996, concludes that there are only 25,933 acceptable renter-occupied, owner-occupied, and vacant housing. Consequently, that report found a housing shortfall of 5,075 units in 1996.

By 2001, the number of military personnel is expected to increase slightly to 67,823 representing demand for 37,962 housing units. Of this total, 8,612 families are expected to be housed in military controlled units.³³ The HMA Report concludes that there will be a deficit of 4,105 units since it is expected that only 25,933 acceptable renter-occupied, owner-occupied, and vacant housing units will be available to military personnel in the market area.³⁴

In addition to Military Family Housing (MFH), some Navy personnel may be eligible for publicly assisted housing (public housing or rent subsidized units) (Volume I, pp.62-63). However, long waiting lists prevent most lower-grade personnel, who may qualify, from occupying significant numbers of publicly assisted housing units.

Consequently, military personnel rely heavily on the private housing market to meet its housing needs. According to the HMA, the number of families requiring rental housing on the private market in 1996 was estimated at 20,741 (4.9 percent) of rental units in the market area and is expected to decrease slightly to 19,352 (4.3 percent) reflecting the increase in MFH in 2001. In response to the deficit of housing, the Military proposes to provide financial incentives to the private sector for the development of approximately 2,200 new housing units for military families by the end of FY 2004 (Volume I, p.17).

Table 14 illustrates the housing deficit by pay grade after the maximum number of families is placed in military family housing. This table indicates that lower grade personnel have the greatest need for affordable rental housing units by the private market.

Although the Housing Market Analysis does not make predictions beyond 2001, projections by SANDAG for continued regional population growth and current low regional rental vacancy

³²This total includes an additional 1,396 units designated for enlisted personnel. The units will be added to the inventory over the forecast period, bringing projected MFH assets to 8,612 units by 2001.

³³This total includes an additional 1,396 units designated for enlisted personnel. The units will be added to the inventory over the forecast period, bringing projected MFH assets to 8,612 units by 2001.

³⁴According to the RDN, Inc., preparer of the Housing Analysis Report, market area is defined as: The market area must extend to one-hour commuting radius one way during rush hour. Additionally, the market area must be delineated using census tracts or block groups to define the market area, depending on which level of detail is necessary to adequately gauge parameters of the one hour commuting radius.

rates indicate a future strain on housing costs and availability for military families.

Table 14 Housing Deficit by Grade Segment and Number of Bedrooms, Naval Complex San Diego, 1996 & 2001								
	1996	2001	1996	2001	1996	2001	1996	2001
Rank:	1-2 BR	1-2 BR	3 BR	3 BR	4+ BR	4+ BR	TOTAL	TOTAL
Total Officers	70	80	25	25	62	65	157	170
O6-O10	0	2	0	0	1	1	1	3
O4-O5	6	11	0	4	10	13	16	28
W1-O3	64	67	25	21	51	51	140	139
Total Enlisted	1651	1337	2083	1572	1184	1026	4918	3935
E7-E9	18	23	144	128	250	244	412	395
E4-E6	1266	1056	1683	1200	906	755	3855	3011
E1-E3	367	258	256	244	28	27	651	529
TOTAL	1721	1417	2108	1597	1246	1091	5075	4105
Source: Housing Market Analysis, Naval Complex San Diego, California, August 1996.								

5. Students

As of July 1998, there were approximately 51,455 full-time equivalent (FTE) students attending San Diego's colleges and universities, plus an additional 25,778 full-time equivalent credit students enrolled in the four campuses of the San Diego's Community College District and 14,047 full-time equivalent non-credit adult school students. The majority of students attending four-year schools came from places outside of San Diego's and must rely primarily on off-campus housing to satisfy their housing needs.

Table 15 quantifies current and projected full-time equivalent student enrollment, students housed in university housing, the proportion of student housing need satisfied by each campus, and any plans for additional housing during the Housing Element cycle.

Table 15 Student Enrollment and University Provided Housing City of San Diego 1991-1997							
Institution	1998 Enrollment (FTE) ²	Five Year Projected Enrollment (FTE)	FY 1998 #Students in University Provided Housing	FY 1998 Bed Spaces	FY 1998 University Provided Apartment Units	% Current Housing Needs Met	Recent Additions & Future Plans
Cal-Western Law	720	750	0	0	0	0	

Table 15
Student Enrollment and University Provided Housing
City of San Diego 1991-1997

Institution	1998 Enrollment (FTE) ²	Five Year Projected Enrollment (FTE)	FY 1998 #Students in University Provided Housing	FY 1998 Bed Spaces	FY 1998 University Provided Apartment Units	% Current Housing Needs Met	Recent Additions & Future Plans
Point Loma Nazarene	1,940	2,000	1,350	588 Dorm Rooms	65	69.5%	No units added in 1991-1997. 50 spaces planned in next few years.
San Diego State University	23,281	24,650	2,680	2,340	90	11.5%	<p>580 spaces added between 1991-1998. Another 300 are slated for next year or two.</p> <p>SDSU Redevelopment Plan will result in the following:</p> <p>By Fall 1999, 66 apt units to house 230 students</p> <p>By 2001, 150 - 600 new units as part of mixed use redevelopment will house 525 - 2,100 students</p> <p>By 2004, 250+ apt units to house 750 - 875 students</p> <p>4 new fraternity houses to house 100 students</p>
University of California, San Diego	18,050	21,405	6,500	5,116	1,182	36.0%	<p>600 bed spaces added from 1991-1998. 1,200 undergraduate bed spaces planned to open by 2002 with approx. 200 married/grad spaces possible as well. Longer range, another 1,200 undergrad spaces planned. Timing on those uncertain.</p>

Table 15
Student Enrollment and University Provided Housing
City of San Diego 1991-1997

Institution	1998 Enrollment (FTE) ²	Five Year Projected Enrollment (FTE)	FY 1998 #Students in University Provided Housing	FY 1998 Bed Spaces	FY 1998 University Provided Apartment Units	% Current Housing Needs Met	Recent Additions & Future Plans
University of San Diego	5,454	7,200	1,917	1,917	314	35.1%	No units added in 1991-1997. No plans for future spaces through 2004.
United States International University	1,465	1,465	320	700	0	22.0%	200-300 bed spaces may be added after 2002.
Thomas Jefferson School of Law	545	545	0	0	0	0	
Subtotal	51,455	58,015	12,767	588 Dorm Rooms 10,073 Bed Spaces	1,651	25.0%	
San Diego Community Colleges	39,825 ³⁵	46,165	0	0	0	0	
TOTAL	91,280	104,180	12,767	588 Dorm Rooms 10,073 Bed Spaces	1,651	14.0%	
Source: Admissions-Cal-Western Law; Admissions & Housing-Point Loma Nazarene; Housing Coordinator, Institutional Research-San Diego State University, Campus Planning-UC San Diego; Institutional Research-USD; Director of Housing, Director of Admissions-USIU; Admissions-Thomas Jefferson School of Law; Planning-SDCC.							

Ideally, student housing should be located adjacent to or on campus and near shopping and public transportation. Additionally, it should be of higher density in order to permit generally lower rental payment by typically lower-income students. However, most campuses are surrounded by low-density housing and three schools are located in the high rent areas of La Jolla (University of California, San Diego), Point Loma, (Point Loma Nazarene), and Scripps Ranch (United States International University). The University of San Diego has the best location for lower priced rental units, while San Diego State University offers only middle-income housing to the south and upper income housing to the north.

³⁵Total includes 25,778 full-time equivalent credit students enrolled in the four campuses of the San Diego's community College District and 14,047 full-time equivalent non-credit adult school students.

The problems created by student spillover into adjacent residential areas has grown progressively more severe. This has been particularly true in neighborhoods surrounding San Diego State University where the number of former single-family houses has been converted into "mini-dorms." Such "mini-dorms" do not have adequate off-street parking for students with automobiles.

In response to the inadequate student housing opportunities on campus, San Diego State University is implementing a redevelopment program the "College Community Redevelopment Project." Primary objectives of the redevelopment program are to significantly increase student housing opportunities, and improve vehicular, pedestrian circulation and parking conditions in order to reduce adverse impacts in surrounding neighborhoods. Other Universities have indicated an intent to absorb potential student spillover by increasing on-campus student housing. Volume I, pp.17-18 provides a summary of future additions.

6. Female Headed Households

Female headed households include households headed by women with or without children. Over the last two decades, the role of women in society has undergone fundamental changes. These changes are manifested in major demographic shifts which have dramatically altered the idealized American family consisting of a father who is employed outside the home and a mother who are not employed. As of 1998, there were approximately 32,000 female headed households in the City of San Diego.

Families headed by a single mother are more likely to be discriminated against in the housing market because of the reluctance of some managers and owners to rent to families with children. Although the Fair Housing Act of 1988 expanded the scope of the law to include families with children, such discrimination according to the Fair Housing Council of San Diego still occurs. The City will continue to support the enforcement of fair housing laws (Volume I, pp.91-94).

In addition, the needs of families headed by single mothers, particularly those that are low-income, are acute. As of 1998, 11,000 female headed households with children lived below the poverty level.³⁶ Many of these families are in need of a variety of specialized support services in order to maintain their independence and self-sufficiency. The overriding housing need is for affordable accommodations. These mothers also require access to employment opportunities, meaning that affordable housing should be in the vicinity of employment opportunities. Furthermore, in order to take advantage of employment opportunities, it is essential that child care facilities be available and at a cost that is not prohibitive, preferably at the work site or near their home site. Where housing is subsidized, it is important to ensure that the so called "notch-effect" is ameliorated, whereby increases in income which is "notched-up" are not automatically negated by corresponding increases in rent.

The City, through the Fair Housing Council's, "Community Opportunities Program," will attempt to facilitate mobility of Section 8 rent subsidy clients to areas of "low poverty

³⁶Regional Housing Needs Statement , San Diego Region, SANDAG, November 1998.

concentration,” that offer high quality housing, education, and employment opportunities. These support services include child care, transportation, job and career counseling (Volume I, pp. 81-82).

Affordable housing options are also essential in preventing homelessness among female headed households. Based on the 1990 Census figures, there were at least 100,000 households in metropolitan San Diego who are at-risk of homelessness.³⁷ Most of these households are single parent households with an average of 2 children.

In the past, the primary vehicles in the City to assist low-income families from becoming homeless have included various forms of rental assistance (Volume I, p.62). In addition, the reduction of governmental barriers for new construction of affordable housing is discussed in the “Governmental Constraints” chapter and are detailed in Volume I, Goal III.

7. Farm workers

Agriculture makes an important contribution to the local economy in San Diego. As of 1998, agriculture is the fourth ranking industry in San Diego County and number one in California. In the nation, the region ranks tenth with \$1.3 billion in harvested crops annually.³⁸

Housing for farm workers in San Diego has traditionally been problematic. During World War II under the Bracero Program, the first organized guest worker program, barrack-style housing for single males were usually provided by growers and operated by professional managers. After the Bracero program was terminated in 1964, there was a steady decline in farm worker housing and camps were gradually shut down and demolished.

In the City of San Diego, agricultural activity still occurs in the San Pasqual Valley and to a lesser extent in the Carmel Valley/La Jolla Valley and Tia Juana River Valley/Otay Mesa areas. As of August 1998, according to the City of San Diego Agricultural Assets Management section of the Real Estate Assets Department, there are only 32 housing units available for farm workers located in the San Pasqual Valley. Of those, 22 are city-owned housing units and another 10 are lessee owned. The City’s Agricultural Assets Management staff reports that most of their housing has been rehabilitated. There are four are in the finishing stages of rehabilitation and another three will be done in about two years. For leased property, lessees have the responsibility for housing maintenance, improvements and repair of the structures under the November 1993 passage of the California Employee Housing Act, which obligates the farm worker employer to provide housing that meets minimum health and safety standards.

There is no existing farm worker housing in the Carmel Valley/La Jolla Valley and Tia Juana River Valley/Otay Mesa area. In the Carmel Valley/La Jolla Valley area, several hundred farm workers and day laborers live in illegal, temporary encampments hidden in the underbrush.

³⁷ City of San Diego, FY 99 Consolidated Annual Plan, Strategic/Action Plan for Community Development.

³⁸ San Diego Union Tribune, Court rules housing for farm workers must be safe, July 8, 1998.

These encampments are typically unsanitary, lacking plumbing or heating, or cooking facilities. In the early 1990's, McGonigle Canyon was the location of the largest such encampment, housing several hundred people at one point. This camp was subsequently closed by the City and Section 8 certificates were used to facilitate the transition of the occupants into the private housing market.

There have been other attempts to provide housing for farm workers and day laborers. According to the Annual Regional Homeless Profile of 1998 by the Regional Task Force on the Homeless, in 1995 the City sponsored a program that attempted to move men from camps to apartments or dormitories. However, men were extremely reluctant to participate. The primary reason was believed to be financial, since many are attempting to earn money for their families or to purchase land in their home country. According to the RTFH, it is more expensive to live in an apartment or dormitory than in a camp. The RTFH, also reports that there are more success with relocation programs designed for families since parents are more willing to confront additional expenses in order to improve the living conditions for their children.³⁹

In a recent court ruling, a state appeals court ruled that the operators of a strawberry farm in San Diego that employed migrant workers had an obligation to make sure that housing made available to them complies with minimum health and safety requirements under the State Employee Housing Act.⁴⁰ Although farm worker housing should meet minimum health and safety standards, this ruling may also have the effect of acting as a disincentive for farmers and growers to provide any housing for their employees. However, the City may develop appropriate incentives and assistance to make the such housing economically feasible (Volume I, p.18).

It is difficult to accurately quantify the number of farm workers since they no longer set up the large camps like the one in McGonigle Canyon east of Del Mar that attracted national attention a few years ago. The workers now tend to live in small canyons or crowd in substandard housing. The RTFH estimates that there are about 1,000 farm workers and day laborers in the City of San Diego, approximately 900 of whom are single adult males and 100 are family members and single women. The day laborers typically do landscaping and short-term construction projects. The 32 units in the San Pasqual Valley are clearly insufficient to address those needs of the estimated 1,000 seasonal and permanent farm workers and laborers in the City.⁴¹

The San Pasqual Valley and the Tia Juana River Valley are proposed to remain agricultural for the foreseeable future in order to preserve watersheds and restrict land uses compatible with a floodplain. In response, the City will annually monitor the number of permanent and seasonal farmworker employees, where they live, and the need for additional housing in San Pasqual Valley (Volume I, p.18).

³⁹Regional Task Force on the Homeless, Regional Homeless Profile, Annual Update, May 1998.

⁴⁰San Diego Union Tribune, Court rules for farm workers must be safe, July 8, 1998.

⁴¹Regional Task Force on the Homeless, Regional Homeless Profile, Annual Update, May 1998.

The La Jolla River Valley and Otay Mesa agriculture areas are likely to be phased out since those areas are slated for development ultimately. The La Jolla Valley is included in the North City Future Urbanizing Framework Plan and Otay Mesa is proposed to be developed with a mixture of industrial/commercial and residential land uses. In these areas, any housing for farm workers should be interim.

Furthermore, the City has reduced governmental constraints in providing farmworker housing. The City's zoning for agricultural districts permits the provision of housing for farm workers as an accessory use. The City's new zoning code, the Land Development Code treats farm worker housing similarly and complies with the Employee Housing Act which prohibits local jurisdictions from requiring a special land use permit for housing for agricultural workers that are not required for any other type of agricultural activity in the same zone.

Specific policies and programs addressing the need and maintenance for permanent farmworker housing are in Volume I, "New Construction" section of the Housing Element.

8. Homeless

The U.S. Department of Housing and Urban Development (HUD), defines homeless persons as those who are:

- sleeping in places not meant for human habitation, such as cars, parks, sidewalks, and abandoned buildings.
- sleeping in emergency shelters
- living in transitional or supportive housing for homeless persons who originally came from streets or emergency shelters

This includes persons who ordinarily sleep in one of the above places but are spending a short time (30 consecutive days) in a hospital or other institution.

- being evicted within a week from private dwelling units and no subsequent residences have been identified and they lack the resources and support networks needed to obtain access to housing.
- being discharged within a week from institutions in which they have been residents for more than 30 consecutive days and no subsequent residences have been identified and they lack the resources and support networks needed to obtain access to housing.⁴²

⁴²"Understanding the Supportive Housing Program", HUD, April, 1998

a. Extent of Homelessness

The homeless population in San Diego County can be divided into two general groups: (1) urban homeless (sometimes referred to as "traditional homeless") and (2) farm workers and day laborers (also referred to as the "rural homeless"), who primarily occupy the hillsides, canyons and fields of the northern regions of the county, and consider San Diego their home.

The RTFH cites the following factors as the most common reasons for homelessness:

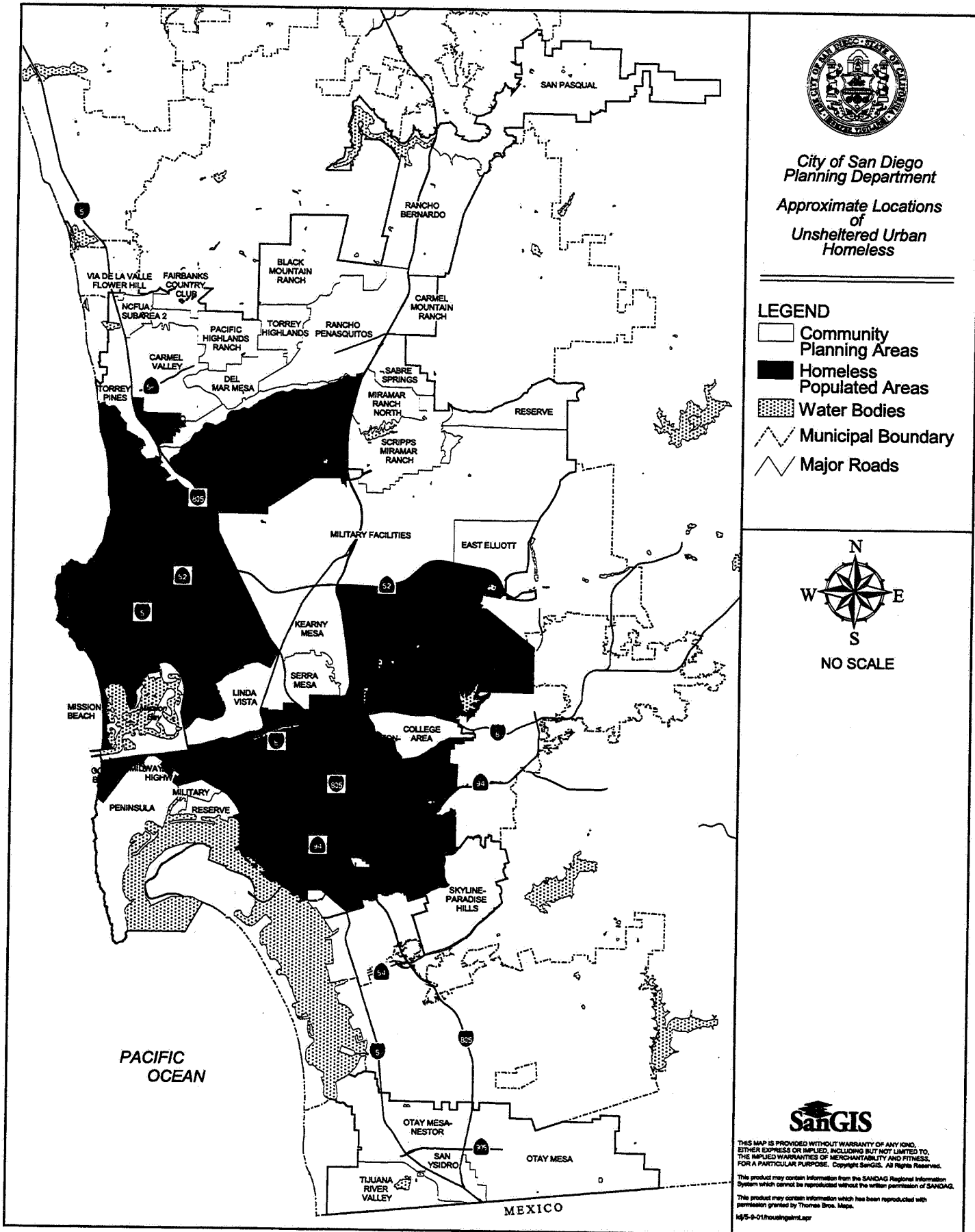
- Inability to pay rent
- Residence was demolished or condemned
- Inability to remain in former family/household
- Mental illness or substance abuse
- Ill health

The total overall current county estimates of the two general homeless groups are estimated to be at least 15,000, with approximately 8,000 urban homeless and 7,000 farm workers/day laborers. This total does not include thousands more undocumented workers who migrate into the county as they move northward through the state.⁴³

According to the RTFH, there are an estimated 5,500 urban homeless in the City of San Diego. Downtown contains the highest concentration of urban homeless persons, estimated at 3,500 to 4,000 while the beach communities have an estimated 550-600 homeless people. Map 2 illustrates the locations of unsheltered urban homeless by Community Planning Area.

⁴³Regional Task Force on the Homeless , Regional Homeless Profile, Annual Update, May, 1998

Map 2



b. Profiles of Special Homeless Populations

In the region, single adults comprise approximately 70 percent of the urban homeless. Most of these 4,000 individuals are between 27 and 40 years old. A fifth have been homeless for more than four years. According to the RTFH, in the City of San Diego, approximately 73 percent of the 5,500 urban homeless are single adults.

In the county, women, either alone or as single heads of households, represents 20 to 25 percent of the urban homeless. According to the RTFH, there are approximately 500 single adult women. In the City, women alone represent 11 percent of the urban homeless and women and their children represent 10 percent of the urban homeless. Many women are inadequately prepared to earn an income and regularly cite abandonment by spouses, male friends or families, or flight from abusive situations as reasons for their homelessness. The housing needs of female headed households are discussed further in the "Female Headed Households" section of this volume.

In the region family members make up at least a quarter of the urban homeless population with an approximated count of 2,100. In the City of San Diego there are at least 1,050 urban homeless family members. The City currently has 542 shelter beds set aside for homeless families. This represents an unmet need of 48%. The majority of homeless families are headed by single women. However, in recent years more single male parents with children are provided shelter. According to the RTFH, homeless service providers ranked child care, employment assistance, health care, permanent affordable housing, and transitional housing as the top unmet needs relating to homeless families.

On any given night, there may be as many as 1,500-2,000 teenage runaways in the region. Most are from local homes. According to the RTFH, there may be as many as 450 youth on their own in the City each night. Except for those from Latin America, almost all return home in a few days and are not considered homeless. A high portion use drugs and/or alcohol and many sell drugs and/or turn to "survival sex" to meet their basic needs. In the City, 102 shelter beds are set aside for youth on their own in the City, which represents an unmet need of 77%.

In addition to the urban homeless, found in the downtown area of the City and in many of the beach communities, there are approximately 1,000 rural homeless living in the canyons and hillsides on private and public property in the northern portion of the City of San Diego. Almost all of the rural homeless are employed, although seasonally or in casual labor, and those without work are actively seeking employment. The rural homeless tend to not have the psychological or social problems associated with the urban homeless. Most are first generation Mexicans or Central Americans, some of whom may be undocumented workers. They have typically left their native countries because of extreme poverty. There is insufficient housing specifically for farm workers in San Diego. The housing needs of the rural homeless are discussed in the "Farm workers" section.

Elderly persons account for an estimated 3 percent of the County urban homeless population and many are periodically homeless due to their being caught in a vise between high rents and very

low fixed incomes. The RTFH, reports that the homeless rate among the elderly may be attributed to the fact that many of the elderly homeless are not eligible for Social and Medicare. Many of the elderly homeless have insufficient work histories to qualify due to a lifetime of unsteady and temporary work without FICA. The majority of these aged homeless are men in their 60's who are often poorly educated. They usually avoid shelters and are extremely vulnerable to crime, illness, exploitation and abuse. The housing needs of the elderly are discussed in more detail in the "Elderly" section.

Mental illness and substance abuse are often factors accompanying homelessness. Homelessness may also be related to the onset of mental illness and a consequence of the stress, insecurity and despair brought on by the loss of one's home. On any given night there are approximately 1,400 severely mentally ill and homeless persons in the City of San Diego. Only 135 homeless shelter beds are specifically set aside for the mentally ill, representing a shortfall of 90%. It is unknown how many homeless mentally ill individuals there are over a course of a year. However, statistics from the Department of Health, Mental Health Services indicate that there are over 4,700 homeless mentally ill in mental health treatment over the course of one year. Further housing needs of the mentally ill are discussed in the "Persons with Disabilities" section.

According to the RTFH, multiple studies completed in the last decade demonstrate that at least a third of the adult homeless population suffer from chronic alcoholism. In addition, 40 percent of the adult homeless population has had problems with alcohol at some point in their lives. Approximately 10 percent of homeless persons have chronic involvement with drugs other than alcohol.

There is a common crossover between those who are abusing substances and those who are mentally ill. Half of the severely mentally ill homeless persons in San Diego County are believed to be abusing drugs and/or alcohol (persons often referred to as "dual diagnosed"). Substance abuse is both a cause and result of homelessness for the mentally ill. Furthermore, mentally ill commonly use illegal drugs or alcohol as a substitute for medication.⁴⁴

There are approximately 2,000 homeless veterans in the San Diego region, or 36% of the urban adult homeless population. The San Diego region has a strong military presence, which may account for these numbers, which are relatively high compared to other regions. Many former enlisted personnel have either spent a portion of their service in the San Diego region area, or have been separated from service in San Diego. Many remain in the area in search of employment. According to the RTFH, almost all homeless veterans are males. The average age is 40 years. Veterans often have health problems and more physical disabilities, often service related, which may prevent them from working. They also have a higher rate of drug and alcohol abuse than the rest of the homeless population and a higher incidence of psychiatric disorders. Some veterans are dually diagnosed making it even more difficult for them to establish themselves socially and economically. According to the RTFH, homeless veterans have not

⁴⁴Regional Task Force on the Homeless, An Annual Update on Homelessness throughout San Diego County and its 18 Cities, May 1998.

fares well in programs designed for the general homeless population. This is especially due to high rates in dropout and recidivism.

San Diego was the first community to direct its attention to many diverse needs of homeless veterans when it held its first Stand Down in 1988. The RTFH cites drug and/or alcohol abuse recovery services, mental health assistance, job training and placement, increase in shelter beds targeted for the homeless veterans and provision of affordable and stable housing as main priorities needed to serve the homeless veterans.

The National Commission on AIDS states that up to half of all Americans with AIDS are either homeless or "in imminent danger of becoming so because of their illness, lack of income or other resources and weak support networks." In the City, there are 143 shelter beds for an estimated 240 persons with AIDS. This represents an unmet need of 40%. The RTFH, reports that the top unmet needs relating to homeless persons with AIDS, according to service providers were, emergency shelter, mental health treatment, outreach, permanent supportive housing, and transitional housing.

The needs of the homeless and special needs subgroups include access to comprehensive health care, substance abuse treatment services, convalescent/transitional housing, residential programs or halfway houses providing services to parents with substance abuse problems and their children at the same location, and innovative aftercare environment to provide a continuum of care in housing. Other needs include health, mental, vocational, educational, legal, veterans' and housing and welfare services. Such support services are necessary to assure that an individual's full range needs are met. The wide range of services needed by the homeless population is addressed in the following, "Continuum of Care" section.

There is also another "invisible" population of homeless individuals not sleeping outside or in shelters, but who are in the process of becoming homeless. People without dwelling of their own frequently live temporarily with friends or relatives before entering a shelter or sleeping outside. These individuals may represent a significant amount of additional people but are not included in the estimates presented here.

c. HUD's Continuum of Care Concept for the Homeless

The Continuum of Care is the Department of Housing and Urban Development's (HUD) approach to providing a comprehensive and coordinated housing and services delivery system to the homeless. The Continuum of Care approach consists of two key elements: (1) an integrated community-based process of identifying needs and building a system to address those needs and (2) increased funding to provide communities with the resources needed to build the system of care. The Continuum of Care system helps communities plan for and provide a balance of emergency, transitional, and permanent housing and service resources to address the needs of the homeless in order to help them make the critical transition from streets to jobs and independent living.

Figure 8 (p. 161) illustrates the range of services offered by the Continuum of Care system in San

Diego. While not all homeless people will need the full range of services from beginning to end, each component is present and coordinated within the Continuum of Care system. The support services offered allows the individual with the flexibility to enter, exit, and re-enter at different stages of the system.

Outreach and intake assessment provide the first level of services where an individual's or family's needs are identified and they are connected to facilities and services.

Emergency shelters provide the second level of services. They offer basic, temporary overnight sleeping accommodations, for up to a month. "Case Management" assistance is sometimes available. As of September 1998, there were approximately 189 emergency shelter beds in the City of San Diego.

Transitional housing is the next level of shelter support and provides housing, case management and support services to return people to independent living as soon as possible within 6 months and usually not longer than 24 months. There are two types of transitional shelter facilities.

The first type of transitional shelter is short-term case management shelter. These shelters can include rehabilitation or recovery programs and can transition a guest to either a long-term transitional program or to independence. The length of stay is typically from 30 to 90 days.

The second type of transitional housing is the long-term transitional shelter. This type of shelter emphasizes the preparation of the homeless individual or family to return to independent living and self-sufficiency. Maximum length of stay is typically from 3 to 18 months and in some cases as long as 24 months. There was a total of approximately 2,110 transitional beds in San Diego as of September 1998.

Permanent supportive housing is the next level in the Continuum of Care. At this level, permanent housing is provided with essential support services to enable individual households to maintain their permanent housing status. Possible supportive services would depend on the characteristics of the occupants and their needs but could include child care, life skills training, counseling, etc.

After consulting with area providers for the homeless, the City has set the three following goals for providing housing for the homeless: A goal for short-term bed spaces at 1,207 beds; A goal for ⁴⁵long term bed spaces is set at 3,214 and for special needs beds set at 300 beds. Refer to volume I, pp.14-25, for more details on policies and programs pertaining to the homeless population's housing needs. The homeless population will also benefit from the expenditure of Redevelopment Set-Aside funds which may be utilized to subsidize the purchase or rehabilitation

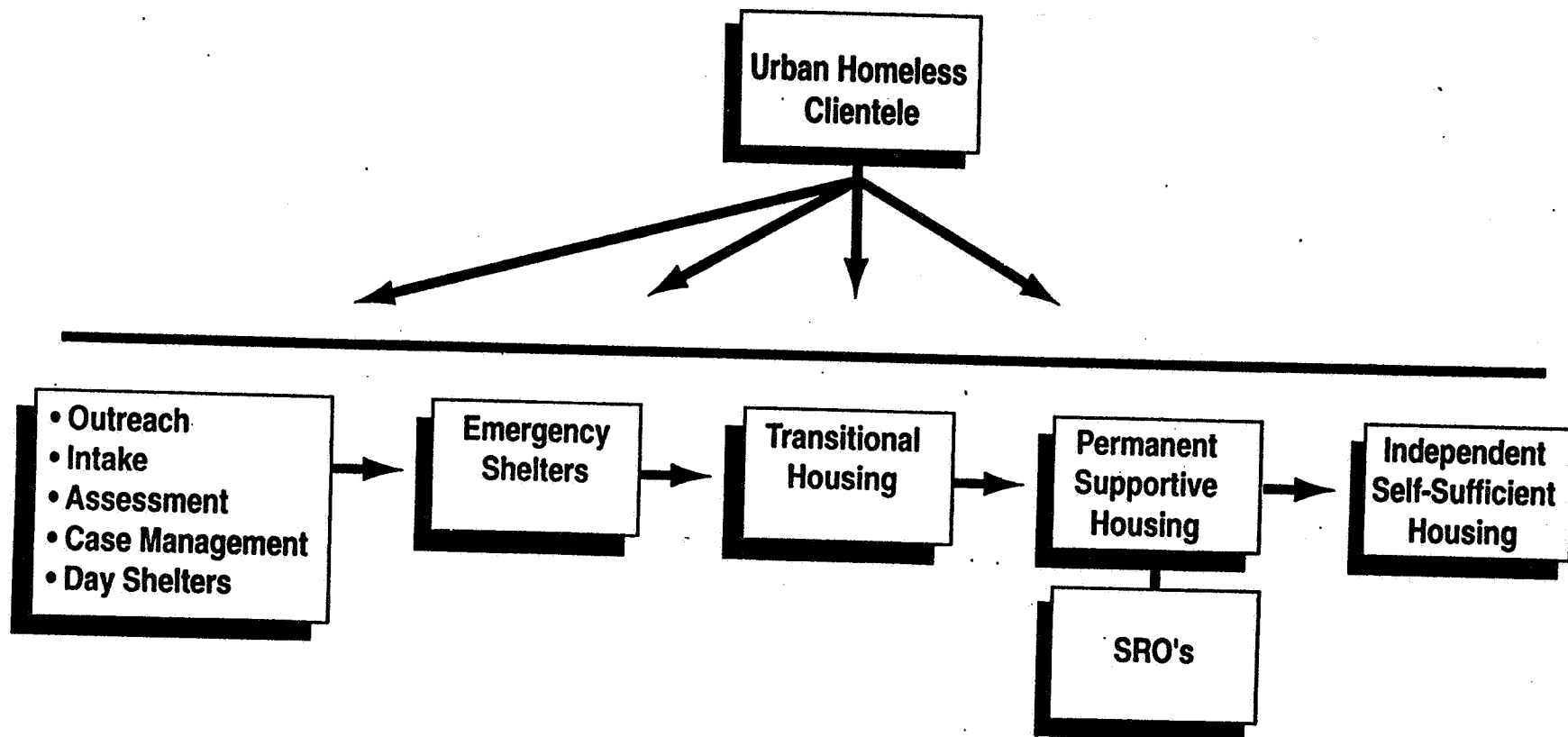
⁴⁵Short Term Beds: Basic, temporary overnight sleeping accommodations with minimal screening and support services; Long Term Beds, Temporary housing and support services to return people to independent living as soon as possible, and generally not longer than 24 months; Special Needs Beds: Temporary housing for persons with disabilities including those who require special needs due to mental and physical disabilities.

of transitional housing for lower income persons (Volume I, p.89).

The City has been able to make significant progress in providing low cost affordable housing for single individuals through its Single Room Occupancy (SRO) program. Between 1986 and 1992, by combining a series of building code and zoning modifications with financial assistance from the City's Housing Commission, San Diego made it possible for more than 2,000 new SRO units to be built by private developers. Since 1992, very few SRO units have been built. Rents vary from approximately \$330-\$530 per month. Where financial assistance is provided, the Housing Commission requires that 20 percent of the units be reserved for very low-income individuals, most of whom would otherwise be homeless. Approximately 500 of the 2,000 SRO units are reserved for very low-income individuals. The City's update of the Zoning Code also created a new mixed use zone for use in such areas which will provide incentives for SROs and other high density developments (Volume I, pp.16-17).

Although not the sole answer to the homeless problem, SRO's have become an essential part of the solution in San Diego. The City plans to continue the dispersal and support for SROs by incorporating SROs into plans for transit-oriented developments. For the specific policies and programs related to SRO's see Volume I, p.13 and p.16.

URBAN HOMELESS SERVICES CONTINUUM OF CARE



Outreach/Intake/Assessment activities identify an individual's or family's needs and make connections to facilities and services.

Case Management Agencies offer emergency and supportive services and assist clients in developing a plan for achieving independent living. Most of these agencies serve non-homeless persons as well.

Day Shelters are facilities with daytime support services in a safe environment. Some of the day shelters listed in this *Profile* are for persons with severe mental illness or recovering from substance abuse.

Emergency Shelters offer basic, temporary overnight sleeping accommodations, for up to a month. "Case management" assistance is sometimes available.

Permanent Supportive Housing offers housing for persons with disabilities who need supportive services to maintain their living accommodations. Targeted disabilities are serious mental illness; chronic alcohol and / or other drug abuse, and AIDS or related diseases. Persons with a severe chronic developmental disability may also be included.

Transitional Shelters offer housing, case management, and support services to return people to independent living as soon as possible, often within 6 months, and usually not longer than 24 months.

d. Shelters in the City of San Diego

Shelters for the urban homeless take a variety of forms in San Diego. They range from places to sleep during the night to transitional housing programs which combine housing with needed social services. Map 3 illustrates the locations of existing emergency shelter and transitional housing facilities by Community Planning Area and Table 16 compares the various homeless subpopulations with the availability of shelter beds in San Diego. Table 16 also shows the unmet need for each of these subgroups.

Table 16 Unmet Homeless Needs: Estimated Population and Shelter Beds Availability City of San Diego				
Population	Est. Pop.	Total Beds⁴⁶	Unmet Need	% Unmet Need
1. Urban Homeless	5,500	2,436	3,064	56%
Individuals Not in Families	4,450	1,894	2,556	57%
Single Adult Men and Single Women⁴⁷	4,000	1,792	2,208	64%
Single Adult Men Only	3,500	950	2,550	73%
Single Adult Women Only	500	286	214	43%
Youth Who are Alone	450	102	348	77%
Families with Children (total members)	1,050	542	508	48%
Two Parents and Children ⁴⁸	500	232	268	54%
Single Women and Children	550	310	240	44%
<i>"Special Need" Subgroups Within the Above Population</i> (these are <i>not</i> additional persons or shelters; they are included in the above totals)				
Severely Mentally Ill Persons	1,400	135	1,265	90%
Persons involved in Alcohol and/or Drug Abuse	2,200	558	1,642	75%
Victims of Domestic Violence	300	120	180	60%
Persons with AIDS without Shelter⁴⁹	240	143	97	40%
2. Farm workers /Day Laborers	1,000	0	1,000	100%

⁴⁶Includes only permanent beds-excluding winter shelter beds

⁴⁷Bed total for Single Adults includes an additional 462 beds that can be used by either men or women and 94 beds to be used for Single Veterans, either men or women.

⁴⁸There is no count as to how beds are divided between one and two-parent families.

⁴⁹Includes HIV- infected persons who are AIDS symptomatic (e.g. pneumonia, Kaposi Sarcoma) and not likely to be admitted to general shelters; and having a monthly income of less than \$600.

Table 16 Unmet Homeless Needs: Estimated Population and Shelter Beds Availability City of San Diego				
Population	Est. Pop.	Total Beds⁵⁰	Unmet Need	% Unmet Need
Single Adult Men	900	0	900	100%
Family Members and Single Women	100	0	100	100%
3. Total For all Homeless Persons	6,500	2,436	4,234	65%
Source: Regional Task Force on the Homeless, September 1998.				

Overall, Table 16 shows that as of September 1998, there were 2,436 shelter beds serving the urban homeless in San Diego. This number does not include 643 temporary beds provided through the City's 1997-98 winter shelter program. As Table 16 shows, the number of beds meets only 56% of the total urban need. According to a report from the U.S. Conference of Mayors on Hunger in Homelessness in America, 78 percent of shelter requests from families in San Diego were unmet during 1997.⁵¹

⁵⁰Includes only permanent beds-excluding winter shelter beds

⁵¹"A Status Report on Hunger and Homelessness in America's Cities", U.S. Conference of Mayors, 1997.

Map 3

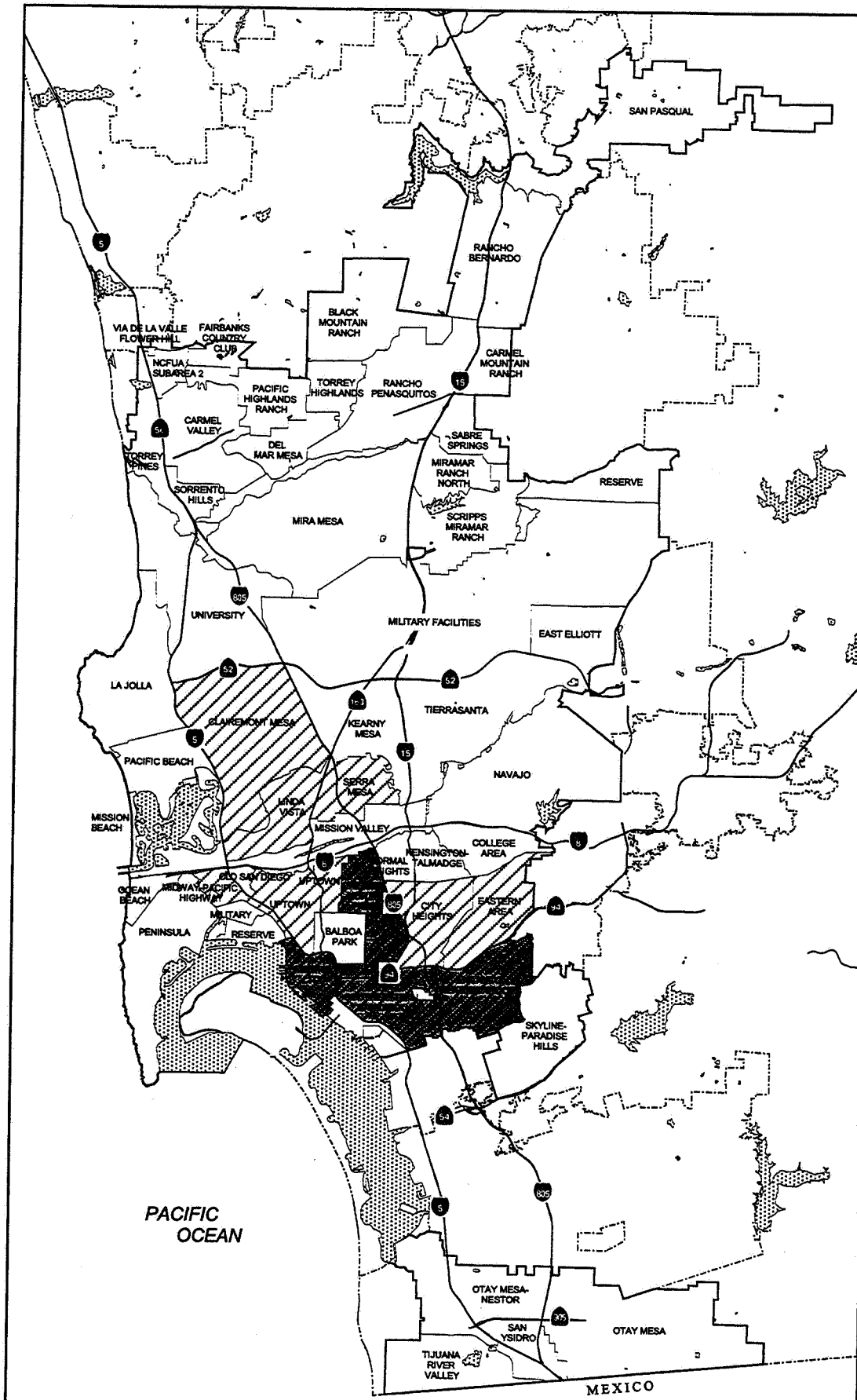


City of San Diego
Planning Department

Location of Existing
Emergency Shelters
and
Transitional
Housing Facilities
by Community
Planning Area

LEGEND

- Community Planning Areas
- Existing Emergency Shelters
- Existing Transitional Facilities
- Water Bodies
- Municipal Boundary
- Major Roads



SanGIS

THIS MAP IS PROVIDED WITHOUT WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS, FOR A PARTICULAR PURPOSE. Copyright SanGIS. All Rights Reserved.

This product may contain information from the SANDAG Regional Information System which cannot be reproduced without the written permission of SANDAG.

This product may contain information which has been reproduced with permission granted by Thomas Bros. Maps.

10/95-0-01/housinggmt.apr

Table 17 shows the number of shelter beds by program type (emergency, permanent supportive, transitional, and winter shelter) in San Diego. This table shows 3,079 total beds in San Diego because it includes the 643 temporary beds from the City's winter shelter program.

Table 17 Distribution of Shelter Beds by Target Population in the City of San Diego					
Target Population	Program Type				Grand Total
	Emergency Shelter	Permanent Supportive Housing	Transitional Shelter	Winter Shelter	
Adult Men		22	928	150	1100
Adult Men &/or Women	90	83	289	423	885
Adult Women	32		254	20	306
Families with Children		32	200	26	258
General Population				24	24
Homeless Youth	28		74		102
Single Veterans			94		94
Women or Women with Children			18		18
Women and Children	39		253		292
Grand Total	189	137	2110	643	3079
Source: Regional Task Force on the Homeless, September 1998.					

Legend:

Emergency Shelter - Basic temporary overnight sleeping accommodations. Sometimes include a meal.

Permanent Supportive Housing - Permanent housing where persons need supportive services (e.g., Child care) to maintain their permanency.

Transitional Housing - Temporary housing and support services to return people to independent living as soon as possible, and not longer than 24 months.

Winter Shelter - Emergency shelter temporarily opened during the late fall and winter months. Some support services may be offered.

Homeless Youth - Youths 18 years of age or under, living on the streets, in public shelters, or without a permanent habitable, safe and healthy dwelling.

Table 18 provides a complete inventory of homeless facilities in San Diego.

Services for Homeless Persons in San Diego

AGENCY	PROGRAM NAME	TARGET POPULATION	SPECIAL NEEDS	BEDS	ADDRESS
Case Mgmnt Agency					
Bayside Settlement House	Bayside Settlement House	General Population	General Homeless		2202 Comstock St.
Catholic Charities	Case Mgmnt Agency	General Population	General Homeless		349 Cedar St.
Community Christian Svc. Agenc	Emergency Assistance Agency	General Population	General Homeless		4167 Rappahannock Ave.
Indian Human Resource Center	Indian Human Resource Center	General Population	General Homeless		4040 30th St.
Logan Heights Fam. Health Cntr	AIDS Case Management	General Population	HIV/AIDS		1643 Logan Ave.
Lutheran Social Services	East San Diego Center	General Population	General Homeless		4354 Van Dyke Ave.
Neighborhood House Assn.	Case Mgmnt Agency	General Population	General Homeless		841 S. 41st St.
Presbyterian Crisis Cntr	Case Mgmnt Agency	General Population	General Homeless		2459 Market St.
SDYCS	Coastal Communities	General Population	General Homeless		5041 Newport
Senior Community Center	Day Management Agency	Adult Men &/or Wmn	Seniors		928 Broadway St.
The Salvation Army	San Diego Family Services (Case Manageme	General Population	General Homeless		730 "F" St.
Townspcople, Inc.	Supportive Services	Adult Men &/or Wmn	HIV/AIDS		3960 Park Blvd., Ste. B
Travelers Aid Society	Case Mgmnt Agency	Adult Men &/or Wmn	General Homeless		306 Walnut Ave., Ste 21
U.S. Dept. Veterans Affairs	Vet Center	General Population	Veterans		2900 6th Ave.
Uptown Interfaith Service Center	Service Center	General Population	General Homeless		2214 Fifth Ave.
Uptown Interfaith Service Center	Services for Persons with AIDS	Adult Men &/or Wmn	HIV/AIDS		2214 Fifth Ave.
Day Shelter					
Alpha Project for the Homeless	Neil Good Day Center	General Population	General Homeless		299 17th St.
Catholic Charities	Rachel's Women's Center	Adult Women	General Homeless		759 8th Ave.
Episcopal Community Svcs	Friend to Friend Clubhouse	Adult Men &/or Wmn	Severely Mentally Ill (SMI)		1009 "G" St. Suite "A"
SD Rescue Mission	Day Service Center	Adult Men	General Homeless		1150 "J" St.
SDYCS	Star	Homeless Youth	Substance Abuse Treatment		3660 Fairmont Ave.
SDYCS	Teen Options	Homeless Youth	Substance Abuse Treatment		3660 Fairmont Ave.
SDYCS	Teen Recovery Center	Homeless Youth	Substance Abuse Treatment		3660 Fairmont Ave.
SDYCS	The Storefront Day Center	Homeless Youth	General Homeless		1245-B Market St.
Senior Community Center	Day Service Center	Adult Men &/or Wmn	General Homeless		928 Broadway Street
Emergency Shelter					
Catholic Charities	Rachel's Night Shelter	Adult Women	General Homeless	32	759 8th Ave.
Center for Community Solutions	Project Safehouse	Women with Children	Victims of Dom Viol	9	4508 Mission Bay Dr.

Regional Task Force on the Homeless (619) 694-8722 / 694-8723 fax

9/10/98 12:29:02 PM

AGENCY	PROGRAM NAME	TARGET POPULATION	SPECIAL NEEDS	BEDS	ADDRESS
Community Research Foundation	Isis Center	Adult Men &/or Wmn	Severely Mentally Ill (SMI)	12	892 27th St.
Community Research Foundation	Jary Barreto Crisis Center	Adult Men &/or Wmn	Severely Mentally Ill (SMI)	5	2865 Logan Ave.
Community Research Foundation	New Vistas Crisis Center	Adult Men &/or Wmn	SMI & Substance Abuse Tr	14	734 10th Ave.
County Mental Health Services	Shelter Beds	Adult Men &/or Wmn	Severely Mentally Ill (SMI)	6	P.O. Box 85524, M/S-P5
County Mental Health Services	Shelter Beds	Adult Men &/or Wmn	Severely Mentally Ill (SMI)	17	P.O. Box 85524, M/S-P5
SDYCS	The Bridge	Homeless Youth	General Homeless	8	3151 Redwood St.
SDYCS	The Storefront	Homeless Youth	General Homeless	20	1039 12th Ave.
Volunteers of America	Detox	Adult Men &/or Wmn	Substance Abuse Treatment	16	1111 Island
Volunteers of America	Ten Day Program	Adult Men &/or Wmn	Substance Abuse Treatment	20	1111 Island
YWCA	Casa de Paz	Women with Children	Victims of Dom Viol	30	P.O. Box 126398
Health Services					
Alpha Project for the Homeless	Balboa Park Outreach Program	General Population	General Homeless		299 17th St.
Logan Heights Fam. Health Cntr	Beach Area Family Health Cntr	General Population	General Homeless		3705 Mission Blvd.
Logan Heights Fam. Health Cntr	Downtown Family Health Center	General Population	General Homeless		1145 Broadway
Logan Heights Fam. Health Cntr	Family Health Center	General Population	General Homeless		1643 Logan Ave.
Logan Heights Fam. Health Cntr	Healthcare for Homeless Youth	Homeless Youth	General Homeless		3544 30th St.
Logan Heights Fam. Health Cntr	Homeless Healthcare Project	General Population	General Homeless		3544 30th St.
Logan Heights Fam. Health Cntr	North Park Family Health Center	General Population	General Homeless		3544 30th St.
Rodrigo Munoz, M.D. Offices	Private Physician	Adult Men &/or Wmn	General Homeless		3130 Fifth St.
St. Vincent de Paul Village	St. Vincent de Paul Dental/Medical Clinic	General Population	General Homeless		1501 Imperial Ave.
Stepping Stone	Outreach to Homeless	Adult Men &/or Wmn	Substance Abuse Treatment		3425 5th Ave.
Perm Supp Housing					
City of SD-Housing Commission	Shelter Plus Care-Tenant Based	Adult Men &/or Wmn	HIV/AIDS	22	1625 Newton Ave.
City of SD-Housing Commission	Shelter Plus Care-Tenant Based	Fam with Children	HIV/AIDS	32	1625 Newton Ave.
Community Research Foundation	Safe Havens-North Parks	Adult Men &/or Wmn	Severely Mentally Ill (SMI)	6	3376 30th St.
Episcopal Community Svcs	Shelter Plus Care	Adult Men &/or Wmn	SMI & Substance Abuse Tr	33	1545 2nd Ave., #101
Love Center	Love Center	Adult Men	HIV/AIDS	5	4189 Kansas St.
Pathfinders	Shelter Plus Care	Adult Men	Substance Abuse Treatment	17	3806 Grim Avenue
Stepping Stone	Our House	Adult Men &/or Wmn	HIV/AIDS & Alco/Drug Ab	10	3000 E Street
Stepping Stone	Recovery Home	Adult Men &/or Wmn	HIV/AIDS & Alco/Drug Ab	12	3767 Central Ave.
Transitional Shelter					
Catholic Charities	House of Rachel	Adult Women	General Homeless	5	349 Cedar St.

AGENCY	PROGRAM NAME	TARGET POPULATION	SPECIAL NEEDS	BEDS	ADDRESS
Community Research Foundation	10th Avenue Apartments	Adult Men &/or Wmn	Severely Mentally Ill (SMI)	28	743 10th Ave.
CRASH	Golden Hill House	Adult Men &/or Wmn	Substance Abuse Treatment	39	2410 "E" St.
CRASH	Short-Term City Heights	Adult Men	Substance Abuse Treatment	2	4161 Marlborough
CRASH	Short-Term Two	Adult Men &/or Wmn	Substance Abuse Treatment	40	4890 67th St.
Crossroads	Crossroads Recovery Home	Adult Women	Substance Abuse Treatment	20	3594 4th Ave.
Ecumenical Council of San Diego	El Nido	Fam with Children	Victims of Dom Viol	30	P.O. Box 3628
Episcopal Community Svcs	Julian's Anchorage	Women with Children	Victims of Dom Viol	18	3565 Seventh Ave.
Episcopal Community Svcs	Safe Haven Transitional Shelter	Adult Men &/or Wmn	Severely Mentally Ill (SMI)	6	3375 Dale St.
Heartland House	Heartland House	Adult Men	Substance Abuse Treatment	8	2822 5th Ave.
House of Metamorphosis	House of Metamorphosis	Adult Men &/or Wmn	Substance Abuse Treatment	26	5855 Streamview Dr.
MAAC Project	Casa de Milagros	Adult Women	Substance Abuse Treatment	7	2970 Market St.
PACTO	Casa del Sol	Adult Women	Substance Abuse Treatment	2	1127 S. 38th St.
PACTO	Truax House	Adult Men	HIV/AIDS	9	2876 Howard St.
Pathfinders	Pathfinders	Adult Men	HIV/AIDS	6	2876 Howard St.
San Diego Safe Harbor, Inc.	Safehouse Program	Adult Men	Substance Abuse Treatment	39	2980 Cedar St.
Sanctuary	Bridges	Women with Children	General Homeless	6	P.O. Box 90886
SD Rescue Mission	Transitional Shelter	Adult Men	Victims of Dom Viol	33	P.O. Box 7162
SD Rescue Mission	Transitional Shelter	Adult Men	General Homeless	20	1150 "J" St.
SD Rescue Mission	Women And Children's Center	Women with Children	General Homeless	193	1150 "J" St.
SD Youth Involvement, Inc.	Southeast Involvement Project	Homeless Youth	General Homeless	75	939 S. 16th St.
SDYCS	Take Wing	Homeless Youth	General Homeless	14	PO Box 95
St. Vincent de Paul Village	Family Living Center	Homeless Youth	General Homeless	20	3255 Wing St., No. 500
St. Vincent de Paul Village	Joan Kroc Center - Men's Program	Fam with Children	General Homeless	110	1501 Imperial Ave.
St. Vincent de Paul Village	Joan Kroc Center for Families	Adult Men	General Homeless	32	1501 Imperial Ave.
St. Vincent de Paul Village	Josue House III	Women with children	General Homeless	133	1501 Imperial Ave.
St. Vincent de Paul Village	Josue Program	Adult Men	HIV/AIDS	11	1501 Imperial Ave.
St. Vincent de Paul Village	Men's Fresh Start (Bishop Maher Center)	Adult Men &/or Wmn	HIV/AIDS	26	1501 Imperial Ave.
St. Vincent de Paul Village	Paul Mirabile Center (Men's Program)	Men with Children	General Homeless	150	1501 Imperial Ave.
St. Vincent de Paul Village	Paul Mirabile Center (Women's Program)	Adult Men	General Homeless	270	1501 Imperial Ave.
St. Vincent de Paul Village	S.T.E.P for Single Women	Adult Women	General Homeless	80	1501 Imperial Ave.
St. Vincent de Paul Village	Toussaint Teen Center	Adult Women	General Homeless	35	1501 Imperial Ave.
Stepping Stone	Enya House	Homeless Youth	General Homeless	30	633 State St.
		Adult Men &/or Wmn	HIV/AIDS & Alco/Drug Ab	10	5128 Ewing St.

AGENCY	PROGRAM NAME	TARGET POPULATION	SPECIAL NEEDS	BEDS	ADDRESS
The Salvation Army	Adult Rehabilitation	Adult Men &/or Wmn	Substance Abuse Treatment	125	1335 Broadway
The Salvation Army	Door of Hope - Haven Program	Women with Children	General Homeless	12	2799 Health Center Dr.
The Salvation Army	Family Development Center	Fam with Children	General Homeless	60	726 "F" St.
The Salvation Army	STEPS	Adult Men	General Homeless	50	732 "F" St.
Tradition One	Tradition One - Men	Adult Men	Substance Abuse Treatment	46	4104 Delta St.
Tradition One	Tradition One - Women	Adult Women	Substance Abuse Treatment	8	4104 Delta St.
Turning Point Home of San Diego	Turning Point Home	Adult Women	Substance Abuse Treatment	5	1315 25th St.
United States Mission	Men's Shelter	Adult Men	General Homeless	17	2611 "G" St.
United States Mission	Women's Shelter	Adult Women	General Homeless	4	2611 "G" St.
Vietnam Veterans of San Diego	Mahedy House	Single Veterans	SMI & Substance Abuse Tr	14	866 24th St.
Vietnam Veterans of San Diego	Rehabilitation Center	Single Veterans	SMI & Substance Abuse Tr	80	4141 Pacific Highway
Volunteers of America	Amigos Sobrios	Adult Men	Substance Abuse Treatment	14	741 11th Ave.
Volunteers of America	Sobriety House - Men	Adult Men	Substance Abuse Treatment	28	1111 Island
Volunteers of America	Sobriety House - Women	Adult Women	Substance Abuse Treatment	6	1111 Island
Way Back	Way Back	Adult Men	Substance Abuse Treatment	18	2516 "A" St.
YMCA	Oz San Diego	Homeless Youth	General Homeless	10	3304 Idlewild Wy.
YWCA	Passages	Adult Women	General Homeless	80	10th & C
Winter Shelter					
Catholic Charities	Rachel's Cold Weather Program	Adult Women	General Homeless	20	759 8th Ave.
County	Motel Voucher	Fam with Children	General Homeless	26	349 Cedar St.
Ecumenical Council of San Diego	ISN Rot'l Shltr - San Diego Beaches	General Population	General Homeless	12	P.O. Box 3628
Ecumenical Council of San Diego	ISN Rot'l Shltr - San Diego Inland	General Population	General Homeless	12	P.O. Box 3628
St. Vincent de Paul Village	Overflow Winter Shelter	Adult Men &/or Wmn	General Homeless	173	1501 Imperial Ave.
St. Vincent de Paul Village	Winter Shelter	Adult Men &/or Wmn	General Homeless	250	1501 Imperial Ave.
Vietnam Veterans of San Diego	Winter Shelter	Single Men	Veterans	150	4141 Pacific Highway
TOTAL BEDS				3079	

H. Energy Conservation Needs

1. Background

California's rising energy needs highlight the critical need for energy efficiency in housing. Energy costs directly affect housing affordability. Also, energy needs to support residential development add demand to an already strained electricity infrastructure system. Therefore, maximizing energy conservation in residential development is a key criterion for sustainable development.

California is a leader in establishing building standards for residential construction to ensure that homes are built to be energy efficient. State building standards for energy efficiency have been in effect for over 20 years, and are updated regularly to keep pace with changing energy technologies. State regulations require residential developers to comply with energy efficiency standards and local jurisdiction building departments are responsible to verify compliance.

Special energy efficiency programs funded by the state and utility ratepayers encourage architects, builders and developers to design and build new construction which exceeds the state's minimum energy efficiency standards. This helps to lower utility costs to residents, lessen demand on the utility infrastructure and maximize energy conservation.

2. Title 24, Part 6 - California's Energy Efficiency Standards for Buildings

The Energy Efficiency Standards for Residential and Nonresidential Buildings were established in 1978 in response to a legislative mandate to reduce California's energy consumption. The California Energy Commission adopted updated standards incorporating new energy efficiency technologies and methods in 2001, as mandated by Assembly Bill 970 to reduce California's electricity demand. These new standards went into effect on June 1, 2001. The State's energy standards, along with standards for energy efficient appliances, has saved the State more than \$20 billion in electricity and natural gas costs. It is estimated that the standards will save the State approximately \$57 billion by 2011.

The energy efficiency standards are aimed at major building components that impact energy use in new residential buildings, additions and alterations, lighting, water heating, air-conditioning systems and the building envelope (roofing, insulation and windows). The standards include mandatory measures, along with prescriptive packages and alternative performance methods to demonstrate compliance. State regulations require compliance with Title 24 energy standards before a building or occupancy permit is issued.

3. Compliance and Enforcement Phases of the Building Process

The goals set by any building standard are no better than the level of cooperation and communication among the parties involved in the building process. These parties may include

some or all of the following: architect or designer, builder/developer, purchasing agent, general contractor, subcontractor/installer, energy consultant, plan checker, inspector, realtor and owner/first occupant. To help resolve potential energy compliance issues, the Title 24 Energy Efficiency Standards specify detailed reporting requirements that are intended to provide design, construction and enforcement parties with needed information to complete the building process and ensure that the energy features are installed in their phase of responsibility.

4. Going Beyond Compliance with Title 24 Energy Efficiency Standards

Compliance with the energy efficiency standards ensures that new construction meets the State's minimum standards for energy efficiency. However, energy saving technologies are available which can make developments much more energy efficient than meeting the State's prescribed minimum standards, thereby reducing energy needs in the San Diego region, reducing electricity demand on a strained infrastructure and providing lower utility bills to residents.

However, many of these measures may result in increased costs to builders, with resulting higher home purchase or rental costs to recover the increased investment in advanced energy efficiency measures. There are a variety of state-funded and utility ratepayer-funded energy efficiency programs available to offset the increased cost of initial investment in energy saving technologies. Examples of advanced energy efficient technologies and programs for new residential construction include:

- Solar Powered Electricity (Photovoltaics)
- Solar Water Heating and Solar Pool Heating
- ENERGY STAR® Labeled Appliances
- ENERGY STAR® Labeled Appliances

Awareness and support of these programs are critical to encourage builders and developers to go beyond the minimum standards and minimize energy requirements of new residential construction. In the long run, this results in lower utility costs to residents and lower electricity demand on the state's overtaxed electricity infrastructure.

**HOUSING ELEMENT
VOLUME II**

CONSTRAINTS TO DEVELOPMENT

III. CONSTRAINTS TO DEVELOPMENT

A. Purpose

This chapter discusses the impact of both governmental and nongovernmental constraints on housing development. Policies and requirements imposed by local government affect the cost and availability of housing. These can include growth management policies and programs, community plans, land use plans and controls, building codes, development regulations and processing procedures, and fees. In addition, numerous nongovernmental factors affect the cost and availability of housing. The most important of these are the costs of financing, land, construction, and market speculation.

B. Key Findings

Governmental Constraints

- **During the 1990's, approximately 70-90 percent of all residential development has been in the planned urbanizing communities. The majority has been in the form of large, multi-phase projects.**
- **The lack of adequate infrastructures in many of the urbanized communities continues to be a major impediment to accommodation of additional housing development, particularly where higher densities are involved.**
- **San Diego is preparing a new element of its General Plan called the Strategic Framework. It is anticipated that resolution of the infrastructure deficit in the urbanized areas will require a re-evaluation of the reliance on impact fees as the primary funding vehicle for public facilities in the urbanized communities (part of Strategic Framework).**
- **In the past, San Diego's development costs and processing times have been aggravated by the length and complexity of the zoning code. In recognition of the complexity, in 1993, the City embarked on an update of the zoning code. The new Land Development Code reduces review process procedure requirements for single family and multi-family units residential projects.**
- **Overall, the City has lost more than 10,000 potential multi-family units in the 1990's due to a pattern of developers proposing residential projects at densities substantially below those designated in community plans and existing zoning. Some reasons include high land costs and relatively low rents, the proliferation of construction defect lawsuits on condominium developments and a market preference for detached housing.**

- San Diego has enough land (classified as urbanized or planned urbanizing) to accommodate an additional 110,000 housing units, including 45,000 units on land designated for 29 units per acre or more. While the City has enough land to accommodate the housing needs through 2004, SANDAG's Regional Growth Forecast projects that the region will exhaust its supply of land, as presently planned, for residential uses, between 2010 and 2015.
- The Land Development Code resulted in adoption of a consolidated land use decision making process which became effective in 1993. The new ordinance reduced the number of permit processing tracks from more than twenty to five.
- During the post-Proposition 13 era, fees have come to constitute an increasing portion of the cost of new residential development in San Diego. Of necessity, the City's fee structure reflects a philosophy of requiring new development to pay for itself and to allow the City to recover its costs of processing new permits for development and for needed public facilities. The City currently has three types of fees: planning fees, building fees, and impact fees.
- Impact fees are the most significant type of fee associated with new residential development. Fees for water and sewer are assessed on a per unit basis rather than on unit size. Consequently, these fees are inversely correlated with unit size. Building permit fees are assessed on value, which is influenced by unit size.
- Between 1991 and 1993, permit processing times for discretionary permits have decreased by 36 percent. The average processing time for final maps also decreased by 50%. Since 1993, average permit processing times have continued to decrease, but at a slower rate. The average time for processing a ministerial permit declined by over 150 percent between 1991 and 1993. The average processing time for ministerial permits had increased slightly as of 1997 while other permit processing times have continued to decrease at a slower rate since 1993.

Non-Governmental Constraints

- The emergence of Low Income Housing Tax Credits has become an increasingly important source of development capital for affordable housing during the 1990's. As this source of capital has become more important, competition for the tax credits has become increasingly fierce. If successful, recent efforts to increase the credit "ceiling" could have a positive effect.

- **Widespread construction defect litigation and a consequent difficulty in obtaining insurance have dampened builders' interest in condominium construction. Lack of production of this housing type has contributed to extremely low vacancy rates and consequent upward pressure on rents and sales prices.**
- **Land suitable for residential development is increasingly scarce since most of the easy developable, relatively flat sites with good access and residential land use and zoning has already been developed. Increasingly, sites tend to be located on hillsides, other environmentally sensitive areas, or require redevelopment of an existing less intensive use.**
- **During the 1980's, the cost of land in San Diego increased much more rapidly than the overall cost of living. High land costs are probably the most important single factor in making one of the least affordable cities for housing in the nation.**
- **One result of the high land prices has been the gradual tendency to construct larger homes on smaller lots. In the long term, high land costs will likely continue to provide a strong incentive for maximizing development on small lots.**
- **Housing construction costs in San Diego for a single-family home ranges between \$38 and \$50 per square foot, excluding fees and land costs. Multi-family construction is more complex and the cost range can vary significantly. If multi-family construction is built on-grade with no underground parking, the cost can range from \$46 to \$50 per square foot. It climbs significantly to accommodate factors such as underground parking and multiple stories and can range from \$85 to \$105 per square foot.**

C. Governmental Constraints

1. Growth Management Program

In order to provide perspective, this section first discusses impacts incurred by San Diego's growth management program adoption in 1979. The second half discusses more recent efforts to update the program and to address unanticipated impacts of the 1979 program.

The 1979 growth management program was intended to reverse two related trends: (1) rapid population growth on the periphery of San Diego and (2) reduced or even declining growth in the central parts of the city. The decentralized development pattern of the 1970's contributed to rising public service costs caused by scattered development and inefficient urban forms. A general deterioration in the city's "quality of life" also resulted with the loss of open space and

agricultural land.

To reverse this trend, the Progress Guide and General Plan outlined a policy to redirect much of the growth into the older centralized urbanized communities and to phase the remaining growth to outlying newly developing areas in accordance with the availability of public facilities and services. It created a three-tier system to guide growth. All communities in San Diego were classified as "Urbanized," "Planned Urbanizing," or "Future Urbanizing."

The Urbanized area includes downtown and largely built-up older neighborhoods targeted for infill development, redevelopment, and rehabilitation.

The Planned Urbanizing areas are those communities anticipated to develop as new, planned communities. In these areas, land is to be opened for development in stages in accordance with the phased extension of public facilities and services.

The Future Urbanizing areas are mostly vacant and zoned primarily for agriculture. This land is to be held in reserve for future growth needs. These properties are subject to voter approval prior to permitting urban levels of development, as required by passage of the Proposition A growth initiative in 1985.

The policy of redirecting growth to the urbanized areas was very successful. While only 10 percent of all new residential development in 1979 was occurring in the urbanized communities, by 1983 this figure had risen to 60 percent. By the late 1980's, the momentum shifted back to the planned urbanizing areas. During the 1990's however, the recessionary economic conditions dampened market interest in infill and intensification in the older urbanized communities. The majority of residential development during the 1990's has been in the form of large, multi phase projects in the planned urbanizing communities. During the 1990's, the proportion of residential development occurring in the planned urbanizing communities has consistently been in the 70% - 90% range.

The success of the 1979 strategy of redirecting growth to the urbanized area created several unforeseen problems.

First, there was no mechanism in place to finance the additional infrastructure needed to support the higher intensities of development being created in the urbanized areas. Such a mechanism was in place in the planned urbanizing areas in the form of Facilities Benefit Assessments and impact fees. An implicit assumption of the 1979 Plan was that existing infrastructure in the urbanized areas would be sufficient to accommodate the additional development to be redirected there.

This assumption proved fallacious for three reasons: (1) the magnitude of development in the urbanized areas became far greater than was forecast; (2) residents of the urbanized areas expected facilities and services at the same standards as in the planned urbanizing areas; and (3)

the impact of the Statewide property tax limitation (Proposition 13) further reduced the funding available for infrastructure improvements.

In response to the need for additional infrastructure improvements, impact fees were finally imposed in all of the urbanized areas in 1987. The lack of adequate infrastructures in many of the urbanized communities continues to be a major impediment to accommodation of additional housing development, particularly where higher densities are involved. This problem is discussed more extensively under "Availability of Facilities and Services", p. 189 and under "Impact Fees.", p. 193.

Second, lack of adequate parking also became a particularly serious infrastructure problem. Extensive curb cuts created by new developments resulted in insufficient parking availability and reduced on-street parking. This problem was addressed in 1989 with the adoption of a Multi-Family Parking Standards Ordinance.

With the adoption of a new zoning code (see Land Use Controls section, p. 182) in 1998, the parking standards have now been simplified somewhat since requirements for supplemental parking have been consolidated with those for common area parking. Table 19 compares the parking standards in the old zoning code with those in the new Land Development Code. Figure 9 (page 181) compares the required amount of parking under the old and new basic standards for a hypothetical 100 unit multifamily project. Overall, as Figure 9 illustrates, there is relatively little difference in the two sets of standards.

Table 19
Comparison of Citywide Multi-Family Parking Regulations
City of San Diego
Previous Zoning Code vs. Land Development Code (LDC) Update¹

		Basic ²		Parking Impact Areas ³		Transit Area ⁴ / (Very Low Income units) ⁵		
		Previous Zoning Code	LDC	Previous Zoning Code	LDC	Previous Zoning Code		LDC
						Transit Area ⁶	Very Low Income Units	
Premises of 2 or more units	Studio Units of 400 s.f. or less	1.3	1.25	1.50	1.50	.90 .80 .70 .40	(N/A)	1.40
	I BR units or studios larger than 400 s.f.	1.63	1.50	1.88	1.75	1.15 1.05 .95 .65	(1.30)	1.25

Table 19
Comparison of Citywide Multi-Family Parking Regulations
City of San Diego
Previous Zoning Code vs. Land Development Code (LDC) Update¹

		Basic ²		Parking Impact Areas ³		Transit Area ⁴ / (Very Low Income units) ⁵		
		Previous Zoning Code	LDC	Previous Zoning Code	LDC	Previous Zoning Code		LDC
						Transit Area ⁶	Very Low Income Units	
	2 BR units	1.95	2.00	2.25	2.25	1.40 1.30 1.20 .90	(1.56)	1.75
	3-4 BR units	2.28	2.25	2.63	2.50	1.65 1.55 1.45 1.05	(1.82)	2.0
	5+ units	2.28	2.25	N/A	Beach: 2.5 DU Campus: 1.0/BR	N/A	(N/A)	2.0

NOTES:

1. In the Land Development Code, parking reductions for high density and mixed-use developments are eliminated. Instead, shared parking is now available for all projects in place of mixed-use reduction.

2. Existing parking standards represent resident plus supplemental parking. The LDC update has eliminated the use of supplemental parking requirements and maintained Common Area parking requirements to provide guest parking in developments with a Planned Development Permit in planned urbanizing communities.

3. The parking impact ratio applies to development that is at least partially within a designated beach impact area or campus impact area.

4. Transit area parking ratio applies to development that is at least partially within a transit area or in conjunction with Transit Oriented Development Design guidelines.

5. The very low income unit parking requirements apply to dwelling units limited to occupancy by very low income households and development covered by an agreement with the San Diego Housing Commission.

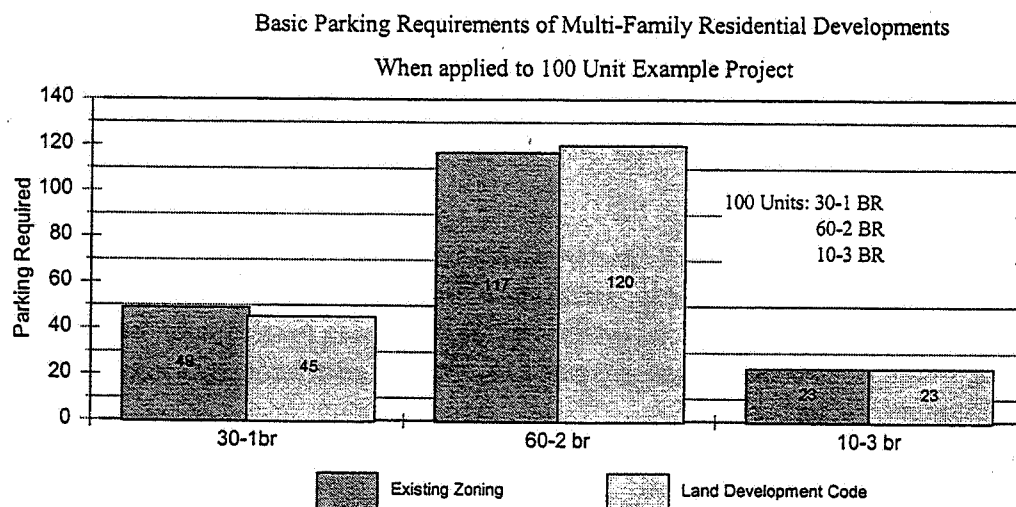
6. In existing zoning code, supplemental parking requirements allow parcels located in a designated transit corridor, node or hub to have supplemental parking requirements reduced by the following: Transit Corridor, 10%; Nodal Corridor, 20%; Transit Node, 30%, Transit Hub, 60%. The corresponding values for each category are shown in this column.

7. Additionally, the Land Development Code update eliminates the four related reductions and consolidates them into one "Transit Area" reduction.

In addition to the parking issue, the quality of infill development in some of the urbanized areas was widely perceived to be detrimental from a design standpoint. The bulk and scale of new buildings were not proportionate with prevailing architectural character in many neighborhoods. Bulky four, six, and eight-plex apartment buildings with front yard parking and little or no landscaping was constructed in predominately single-family neighborhoods.

The City's zoning code permitted many of the poor design practices in the older neighborhoods. Additionally, the density recommendations of some community plans were not implemented and other community plans in retrospect had excessive density designations. Consequently, the City adopted "tailored zoning" to address the specific design and land use issues prevalent in each community. By 1990, more than 20 Planned District Ordinances had been adopted, primarily in the urbanized areas, to essentially replace the underlying zoning. Most of these ordinances

Figure 9



Source: City of San Diego, Planning and Development Review Department

include specific design criteria intended to make multi-family structures more compatible with nearby single-family structures.

The resulting inappropriate or poor quality developments in the urbanized areas had the effect of persuading neighborhood and community leaders that higher density developments create impacts which are difficult to mitigate. However, the generally positive reaction to several mixed-use redevelopments in downtown, Hillcrest and elsewhere demonstrates that higher density developments can work if they exhibit a high quality of design which "fit" into the fabric of their immediate neighborhoods and adequately mitigate their impacts.

By the early and mid-1990's, the City began to see a pattern of developers proposing residential projects at density levels substantially below those designated in community plans and existing zoning. There are several reasons for this trend including the difficulty in making multi-family

projects “pencil out” due to high land costs and relatively low rents, the proliferation of construction defect lawsuits on condominium developments and a market preference for detached housing. Overall, the City has lost more than 10,000 potential multi-family units in the 1990's due to this trend.

2. Community Plans

The community plans in aggregate, comprise the Land Use Element of the Progress Guide and General Plan and are evaluated annually to determine whether the land use plan or its implementing actions need updating. As such, they specify the location and intensity of proposed residential development and the spatial relationship to other land uses and supporting facilities and services. The community plans are therefore a primary vehicle for carrying out the policies and programs of the Housing Element.

San Diego has over 40 identified community planning areas. Most of these communities have a community planning group which represents the community in most planning related matters. The Planning and Development Review Department works closely with these groups in preparing and updating community plans and in reviewing and making recommendations on individual development projects.

Where a particular community plan is out of date with respect to land use and transportation issues, the City will work closely with the appropriate community planning group as well as other interests to update it. In other situations where the land use plan is adequate, the City will focus on identifying a comprehensive action program to achieve the community's goals beyond simply land use (Volume I, p.10).

3. Land Use Controls

The policies and proposals of the community plans are implemented by a variety of land use controls. Although land use controls can take numerous forms, the most common is zoning, subdivision regulations, and environmental restrictions.

In the past, San Diego's development costs and processing times have been aggravated by the length and complexity of the zoning code (refer to “Permit Processing” and “Land Costs” sections). Prior to the zoning code update, San Diego's zoning code included more than 200 zones, over 20 Planned Districts, and approximately 10 overlay zones.

In recognition of the complexity of San Diego's zoning code and its impact on development processing, in 1993, the City embarked on an update of the zoning code. The update has been completed and is called the “Land Development Code.” In October 1999, the City Council adopted the Land Development Code, final certification by the California Coastal Commission occurred in November 1999 and went into effect on January 1, 2000. Appendix P summarizes the primary regulatory requirements in the Land Development Code for all of the residential and

commercial zones (the zones which allow residential development).

With respect to its impact on housing affordability issues, the new zoning code reduces review process procedure requirements for single unit and multiple unit residential development and under certain conditions makes the development process less time consuming and more predictable. In addition, these changes will reduce the costs of development review for certain housing projects and allow provisions for alternative housing types such as townhouse units and small lot development.

Overall, the Land Development Code simplifies and consolidates zones. It creates new transit oriented zones including the Urban Village Zone, Small Lot Zone and Townhouse Zone in order to encourage higher density transit oriented development. Moreover, the City's Transit Oriented Development (TOD) Program, proposes to incorporate principles and guidelines to achieve a more compact development pattern into the Strategic Framework Element of the General Plan and amend the Transportation and Urban Design elements of the General Plan to incorporate the TOD guidelines (Volume I, p.82). Additionally, multi-unit developments proposed for a legally created lot are now permitted through a ministerial action to enable an owner to generate the maximum number of units permitted by the designated zoning. A threshold requirement which required multiple unit projects exceeding the threshold to obtain a discretionary land use permit was eliminated. However, multiple unit developments involving lot consolidation must still obtain a discretionary permit if they exceed a specified threshold.

The revised regulations also codify adopted policies or clarify regulations that provide mechanisms for encouraging higher density mixed use development through the use of zones, overlays, and transit corridors that offer other forms of housing. Through these changes, potential affordable housing developments would be encouraged. Mixed use developments do still require a discretionary land use permit in order to help assure high design quality. Finally, the updated zoning code and development regulations would still allow residential developments to achieve the maximum number of units permitted by the underlying zone.

Although the Land Development Code incorporates a number of changes from the previous zoning code which facilitate housing affordability, several provisions remain which, if modified, could further enhance affordability. These provisions include

a. Continued Existence of a Threshold Requirement for Multiple Unit Projects which involve Lot Consolidation.

The Land Development Code eliminated the previous threshold requirements which were applicable to all multiple unit developments, but retained the threshold for projects involving lot consolidation. Also, the Golden Hill Planned District retains a threshold requirement for multiple unit projects. The purpose of this threshold requirement is to control the pattern of development relative to the pattern of existing development so that a new development can properly "blend in." However, by incorporating design standards

into the base development regulations, this purpose can be achieved through a ministerial review. The threshold requirement in the Golden Hill PDO can be addressed when that particular Planned District is updated.

b. Parking Standards which Allow On-Street Parking Spaces to Count Toward Meeting the Standards, but only Through a Discretionary Review

Again, this regulation can be administered ministerially by incorporating appropriate performance standards into the parking regulations, eliminating the requirement for a discretionary permit here. For example, an applicant might be required to provide a survey for a specified period of time, documented by pictures showing time and date, with his building permit application to document on-street space availability. There may be a standard of X street spaces available within Y feet of the front door of the structure.

c. Continued Reliance on Planned District Ordinances to Regulate Zoning in Many Parts of the City.

As was previously discussed on Page 180, San Diego has over 20 individual Planned Districts in addition to the citywide zoning in the Land Development Code. Most of the Planned Districts are in the older urbanized communities and include specific design criteria intended to make multiple unit structures more compatible with nearby single-family structures. However, the continued reliance on the PDO's creates a confusing array of design standards and regulations which make administration difficult. They also contribute to increased housing development costs because individual developers must vary their product designs to meet the different requirements.

As individual Planned Districts are updated, the City intends to consolidate Planned Districts where possible or use the citywide zones in the Planned District areas, perhaps with some tailoring to specific circumstances where necessary. The Central Urbanized PDO which became effective in November 2000, illustrates this approach.

d. Required Discretionary Review in Planned Districts

Typically, Planned Districts require discretionary review for some or many development projects. For example, Carmel Valley, La Jolla, La Jolla Shores, Mission Beach and Old San Diego all require discretionary review for all development projects to ensure that they meet the architectural and design standards specified.

Golden Hill and Mid-City allow projects which meet the minimum standards to be processed ministerially. Minor deviations can be a Process 2 review (staff review with possibility of appeal to Planning Commission). More major deviations and projects which exceed a specified threshold are a Process 3 review (public hearing before a hearing officer with possibility of appeal to Planning Commission). The Central

Urbanized PDO incorporates the thresholds for lot consolidation previously described.

As individual PDO's are updated, city staff will be working with the affected community planning groups to reduce the degree and level of discretionary reviews by utilizing the citywide base residential zones wherever possible or, in some cases by incorporating stronger performance standards into the PDO base zones.

e. Some Planned District Ordinances do not allow a Planned Development Permit as a Means of Providing Flexibility in Meeting Development Regulations.

Planned Development Permits are a feature of the Land Development Code which allow an applicant to request greater flexibility from the strict application of the development regulations than would be allowed through a deviation process. The intent is to encourage imaginative and innovative planning and to help assure that a development achieves the intent of the applicable community plan and that the development would be preferable to what would be achieved by strict conformance with the development regulations.

Six Planned Districts do not allow the use of a Planned Development Permit however. They are Golden Hill, Mid City, Mission Beach, Otay Mesa, San Ysidro and Southeastern San Diego. Again, as these Planned Districts are updated, the City staff will work with the affected community planning groups to introduce this tool to promote flexibility.

f. Companion Unit Regulations which are Unnecessarily Restrictive.

The City's Companion Unit regulations are very restrictive. These provisions include:

1. The City's rental housing vacancy rate must be below 5 percent in order for the City to accept applications
2. Companion units are prohibited in the Coastal Zone
3. The occupant of the companion unit must be related to the owner, be a senior citizen, or be disabled.
4. Companion units are limited to no more than 5 percent of the total number of single dwelling units in a community plan area.
5. There must be a determination that public facilities and services are adequate to service the companion unit.

However, the City Council's Land Use and Housing Committee have recognized that these provisions may be unduly restrictive and consequently has directed the Planning

Department to prepare an amendment for public review which would remove these provisions in order to facilitate the use of companion units as a tool to expand housing opportunities. The Planning Department intends to draft a proposed amendment for public review and City Council consideration during the fiscal year which began July 1, 2001.

g. Insufficient use of Master Environmental Impact Reports for Major Planning Projects such as Redevelopment Plans and Specific Plans which will Form the Basis for Future Decision-Making.

Master Environmental Impact Reports (MEIR's) are authorized in the CEQA Guidelines as a way to streamline subsequent environmental review of projects included within the scope of the Master EIR. While Master Environmental Impact Reports (MEIR) have been used extensively by the Centre City Redevelopment Corporation for development downtown, they have not been used with the same regularity for other redevelopment plans or specific plans. One reason may be the risk of exposure to potential litigation based on inadequate review of individual projects pursuant to adoption of an MEIR. However, this concern can be overcome through appropriate analysis and the preparation of findings to the Master EIR which document and conclude that subsequent projects are covered in the MEIR.

Master EIR's appear to be ideally suited to assess the environmental impacts associated with large and complex projects or phased land use and redevelopment plans. Article 11.5 of the CEQA Guidelines specifically state that "a Master EIR shall, to the greatest extent feasible, evaluate the cumulative impacts, growth inducing impacts, and irreversible significant effects on the environment of subsequent projects." Subsequently, Findings and when necessary, Addenda can then be used to disclose consistency with, or minor technical changes not addressed in the initial MEIR. Accordingly, City departments and private developers proposing large and complex projects or phased land use and redevelopment plans will be strongly encouraged to make use of an existing MEIR as an alternative to a project specific CEQA document, when that document can be supported by the appropriate analysis and findings.

h. Decision Process Levels in the Land Development Code which may be Unnecessarily High for Some Types of Residential Projects.

The Land Development Code and many Planned Districts allow minor deviations (typically defined as deviations of 20% or less from the applicable development regulations) to be considered as a Process 2 (staff review with possible appeal to Planning Commission) decision. Major deviations (typically defined as more than 20% deviation from the applicable regulations) are considered as a Process 3 decision. In order to further facilitate the permit approval process, minor deviations could be shifted from Process 2 to Process One (compliance with ministerial regulations) and major deviations

could be shifted from Process Three (Hearing Officer Public Hearing with possible appeal to Planning Commission) to Process Two.

4. Land Inventory

This section estimates the amount of vacant, infill and redevelopment land in the City zoned for residential development. These estimates are based on the City's Land Use Database, the City's Geographic Information System and SANDAG's Regional Growth Forecast assumptions.

Table 20 indicates the amount of vacant, infill and potentially redevelopable land and the potential number of housing units which could be accommodated.

Table 20 Zoning Inventory of Residential Land in Urbanized and Planned Urbanizing Areas City of San Diego							
Du/Ac	Housing Type	Vacant Land		Infill and Redevelopment		Total	
		Acres	Units	Acres	Units	Acres	Units
0 - 10	Single-Family	8,400	19,063	555	3,815	8,955	22,878
10.1 - 29	Townhouses and Condos	2,059	19,849	1,125	21,994	1,824	41,843
+ 29.1+	Apts and Condos	243	8,689	435	36,799	678	45,488
Total		10,702	47,601	2,115	62,608	11,457	110,209
Source: City of San Diego, Land Use Database, Geographic Information System; SANDAG 2020 Regional Growth Forecast Land Use Inputs, September 1998							

Table 20 represents a summary of land available by zone. It includes both vacant land and underutilized land potentially available for infill or redevelopment. The information is summarized by density range and is a compilation by community plan area by zone. The land inventory was compiled utilizing the City's Geographic Information System and importing additional information layers from the City's Land Use Database and land use inputs from SANDAG's 2020 Regional Growth Forecast.

Table 20 shows that San Diego has enough land planned to accommodate an additional 110,000 housing units, including 45,000 units on land designated for 29 units per acre or more. This inventory includes only land classified as Urbanized or Planned Urbanizing. It does not include any land in the Future Urbanizing Area because the Future Urbanizing Area does not have basic

facilities and services in place yet to accommodate densities higher than rural.

It should be acknowledged however, that about 24,000 of the 45,000 units zoned for 29.1 units per acre or higher are in the Centre City (downtown) area where average densities are at 130 units per acre. This level of density requires a different construction type than the standard wood frame, known as "Type V," typically utilized for structures of 4 stories or less. Most residential developments downtown would be built using "Type I" or "Type III" construction. These construction types utilize more steel and less wood frame and also involve more seismic safety costs. As of Spring, 2001, the construction cost per square foot of Type V construction was about \$70 per square foot. Type III construction costs \$120 - \$130 per square foot and Type I construction costs \$130 - \$160 per square foot. Obviously, these significantly higher construction costs adversely impact housing affordability. Fortunately, most of Centre City is a Redevelopment Project Area which is expected to generate approximately \$20 million in Low-Moderate Income Housing Set Aside Funds during this Housing Element cycle for use in developing housing affordable to low and moderate income households. This factor at least partially mitigates the high construction costs associated with Type I and Type III construction.

Table 21 compares the City's land inventory to its regional share goals, as assigned by SANDAG. It indicates that San Diego has enough land in all density categories to accommodate its regional share goals. While San Diego has sufficient land to accommodate its housing needs through 2004, SANDAG's Regional Growth Forecast projects that, based on current adopted land use plans, the region, including San Diego will exhaust its supply of land as presently planned, for residential uses between the years 2010 and 2015.

In order to prepare for this circumstance, San Diego is preparing a new element of its General Plan called the Strategic Framework. The primary purpose of this element will be to plan for San Diego's share of the additional growth that SANDAG is projecting in the region by 2020. Additionally, as a byproduct of the Process 2000 program, a development monitoring system is being planned which will enable the City to keep track of the City's remaining land capacity (Volume I, pp.10, 53).

Ultimately, the marketplace in conjunction with planned land use designations, will determine how this land actually is utilized, the number of housing units built and in which density ranges.

Table 21
Residential Land Inventory vs. Regional Share Goals, 1998

Income Category	Density Range	Regional Share Goal	Housing Unit Inventory⁷
Very Low-Income	29.1+	7,463	45,488
Low-Income		6,797	
Moderate-Income	10.1 - 29	9,137	41,843
Above Moderate-Income	0 - 10	16,388	22,878
Total		39,785	110,209
Sources: Regional Share Goals from SANDAG Regional Housing Needs Report Housing Unit Inventory from City of San Diego, Land Use Database and Geographic Information System			

5. Availability of Facilities and Services in Relation to Land Inventory (Including Availability of Facilities and Infrastructure in Urbanized Communities)

The City's system of Development Impact Fees (DIFs) and Facility Benefit Assessments (FBAs) provides assurance that public facilities will be available to support new development. Urbanized areas generally provide basic infrastructures. However, in many urbanized communities, the transportation, library, park and recreation and public safety facilities do not meet General Plan standards. This deficit is primarily due to the lack of funds to provide needed facilities that had not been provided in the 1970's and 80's in concert with the additional housing units being built. Impact fees revenues simply enable the City to provide facilities generated by new development or redevelopment but do nothing to close the facility shortfall. In the Planned Urbanized Areas, the DIFs and FBAs provide assurance that adequate facilities will be provided.

The infrastructure deficit in many of the urbanized communities is beyond the scope of the Housing Element to resolve alone since this issue is integrally related to other issues including pressure for many local jurisdictions to pursue "fiscal zoning" in order to maximize sales tax revenue. Proposition 13 limits on property tax have placed pressure on local governments to find alternative ways to pay for services and infrastructure other than utilizing property tax revenues. Consequently, cities are inclined to pursue economic development more than housing. The interrelatedness of these and other critical issues affecting San Diego's ability to accommodate

⁷ Implicit in this table is an assumption that minimum densities of 29 housing units per acre are needed to economically develop housing affordable to very low and low income households. Housing affordable to moderate income households assumes a density range of 10.1 - 29 housing units per acre. Housing for above moderate income households assumes densities of 10 housing units per acre or less.

future growth is a primary reason why the City has begun to prepare a new element of its General Plan called the "Strategic Framework."

The Strategic Framework is intended to lay out a vision to guide future growth and development in San Diego and to lay out a number of overarching principles and guidelines to provide direction for updating other General Plan elements that do not reflect current conditions and realities. The infrastructure deficit in the urbanized communities is one of the most critical issues that the Strategic Framework element will attempt to resolve. It is anticipated that resolution of the infrastructure deficit in the urbanized areas will require a re-evaluation of the reliance on impact fees as the primary funding vehicle for public facilities in the urbanized communities (Volume I, p.56).

6. Building Codes and their Enforcement

The primary purpose of building, plumbing, and electrical codes is the protection of public health and safety. This is achieved through the setting and enforcement of minimum standards for design, materials, and workmanship. The City of San Diego has adopted nationally recognized model codes as its basic building laws. San Diego has adopted (with minor exceptions) the Uniform Building Code, Uniform Mechanical Code, Uniform Plumbing Code, and National Electrical Code. These codes are promulgated by technically qualified professional organizations and were last updated in 1994. These codes are adopted by most cities and counties in the western United States as well by the State of California. The Uniform Building Code, as adopted by San Diego, specifies that the minimum size for a housing unit is 220 sf.

Individual building code requirements can sometimes act to impede the development of affordable housing by requiring specific materials or construction techniques which may not necessarily reflect the latest, most cost-effective technology. San Diego, has adopted several pioneering policies to allow "code-equivalent substitutes" in order to reduce per-unit development costs, thereby promoting the development of Single Room Occupancy (SRO) hotel units. These changes have allowed San Diego to become the national model for developing new or rehabilitated SRO's (Volume I, pp.16-17).

The City will also continue to utilize a "carrot and stick" approach by coordinating building code enforcement with housing rehabilitation programs. Additionally, new and existing property owners will be encouraged to participate in self-help workshops on housing maintenance.

7. Site Improvements

"On-site" improvements include facilities such as streets, sidewalks, storm water and sanitary sewers, water lines, and other utilities which directly serve the site being developed. "Off-site" improvements include facilities to accommodate traffic, recreational, public safety, and other "off-site" demands generated by a development. The City of San Diego requires developers to provide necessary on-site improvements as part of the total project development. Similarly, the City also requires developers to provide necessary off-site improvements either directly or

indirectly through the payment of Development Impact Fees (DIFs) or Facilities Benefit Assessments (FBAs). DIFs and FBAs are discussed in the “Impact Fees” section.

The cost of on-site improvement costs has increased primarily because the City has raised its standards for streets, curbs, gutters, and sidewalks since 1990. Off-site improvements costs are also often assumed by the developers since Proposition 13 has imposed Property tax limitations. These costs will be addressed as part of the infrastructure issue within the “Strategic Framework” Element of the General Plan (Volume I, pp.55-56).

8. Fees

During the post-Proposition 13 era, fees have come to constitute an increasing portion of the costs of new residential development in San Diego. Of necessity, the City’s fee structure reflects a philosophy of requiring new development to pay for itself and to allow the City to recover its costs of processing new permits for development and for needed public facilities. Ultimately, some portion of fees are passed on to home buyers and renters, depending on economic conditions.

The following section discusses the City’s three type of fees: planning fees, building fees, and impact fees.

a. Planning Fees

Planning fees have traditionally been applied to applications for community plan amendments, rezonings, planned unit developments, subdivision maps, and environmental impact reports and allow the Development Services Department to recover its costs for processing these applications.

The City requires applicants for various types of permits to pay either a flat fee or deposit, based on the anticipated number of hours required to process the permit application and the department’s overhead rate. If additional staff time is required beyond that anticipated, the applicant is required to pay an additional deposit amount, equivalent to the number of hours anticipated to complete processing of the application. After project completion, any remaining funds are returned to the applicant. In order to provide more certainty and predictability for permit applicants, the Development Services Department has converted some deposits to flat fees and additional deposits are being studied for possible conversion to flat fees.

Table 22 compares planning deposit and fee levels applicable to new residential developments as of August 1994 with planning fee levels in October 1997. This table illustrates the Development Services Department’s progress in converting some deposits to flat fees in that time frame.

Table 22
Planning Deposit / Fee Levels in August 1994 vs. October 1997

Deposit or Fee	August 1994	October 1997
Coastal Development Permit	\$2,650 deposit	\$2,650 deposit
Community Plan Amendment	\$3,000 deposit	\$3,000 deposit
Community Plan Implementation Overlay Zone, Type A	\$700 fee	\$735 fee
Community Plan Implementation Overlay Zone, Type B	\$2,500 deposit	\$5,145 fee
Development Agreement	\$7,000 deposit	\$7,000 deposit
Environmental Impact Report	\$7,500 deposit	\$7,500 deposit
Environmental Initial Study	\$2,500 deposit	\$630 fees
Environmental Exemption	\$60 fee	\$63 fee
Hillside Review Permit	\$2,250 deposit	\$2,250 deposit
Landscape Ordinance Processing	\$200-\$975 fee	\$200 fee
Plan Check	\$200-\$450 fee	\$52.50-\$472.50
Planned District Ordinance	\$2,600 deposit	\$1450-\$4357.50 ⁸
Planned Residential Development	\$2,600 deposit	\$2,600 deposit
Preliminary Development Review	\$700-\$1,750 fee	\$735-\$1,837.50 ⁹
Resource Protection Overlay Ordinance	\$2,500 deposit	\$2,500 deposit
Rezoning	\$2,500 deposit	\$2,500 deposit
Tentative Map/Parcel Map	\$3,600 deposit	\$3,600 deposit
Vesting Tentative Map/Parcel Map	\$5,000 deposit	\$5,000 deposit
Source: City of San Diego, Planning and Development Review Department		

b. Building Fees

Building (construction permit) fees vary with the estimated valuation of the building. In 1990 the building permit fee for a \$125,000 condominium was \$727 whereas in 1997 the same

⁸Cass Street Commercial Planned District, \$3,307.50; Barrio Logan Planned District, \$2,600; Golden Hill Planned District, \$2,600; La Jolla Planned District, \$1,450, La Jolla Shores Planned District, \$2,600; Mid-City Planned District, \$1,450-\$2,600, Mission Valley Planned District, \$2,600; Old Town Planned District, \$2,600; Southeastern San Diego Planned District, \$2,600; West Lewis Street Planned District, \$3,307.

⁹Residential

1-25 Dwelling Units.....\$ 735.00 Fee

26-100 Dwelling Units....\$1,102.50 Fee

101-Up Dwelling Units...\$1,837.50 Fee

fee had increased to \$926. Building permit fees for a single-family home valued at \$250,000 also increased in the same time frame from \$1,165 to \$1,426. Separate electrical, mechanical, plumbing and gas fees are applicable to all multi-family construction. These fees vary in cost, depending on the number and type of plumbing, gas, mechanical and electrical installations desired. The overall total for building fees, including plan check, building, plumbing, gas, mechanical, and electrical permits can vary from approximately \$1,500 to \$3,000¹⁰, depending on the estimated valuation and the number of electrical, mechanical, plumbing and gas connections needed.

c. Impact Fees

Impact fees are the most significant type of fee associated with new residential construction. Fees for water and sewer connections are set at a standard rate throughout the City. Impact fees covering parks, roads, libraries, fire stations, and other community facilities vary by community. Facilities Benefit Assessments (FBAs) are utilized in many of the planned urbanizing areas. These may include all infrastructures required for a particular community. Development Impact Fees (DIFs) are utilized all urbanized areas. DIFs usually provide for more limited improvements in the urbanized areas where much of the basic infrastructure is already in place, though as previously stated, not up to General Plan standards. The specific fee level is set based on the land uses recommended in the adopted community plan and the accompanying facilities financing plan which projects the level of facilities needed to accommodate the level of development proposed in the community plan.

The increasing use of impact fees to assist in financing infrastructure requirements is a continuing long-term response to the limitations imposed by Proposition 13. San Diego and other California cities have had to increasingly utilize tools such as DIF's and FBA's to assist in financing infrastructure needs.

However, the provision and maintenance of infrastructure and public facilities have been severely strained in the last two decades. The limitations have been particularly felt in the older urbanized communities of San Diego with the adoption of Proposition 13 in 1979, resulting in reductions in the rate of growth in the property tax. In 1987, the City Council enacted development impact fees (DIF's) in the urbanized communities to assure that development would pay a portion of the cost of facilities needed to maintain existing levels of service of the community.

In addition to impact fees and DIF's, the City also assesses water and sewer capacity charges. In order to generate a more business friendly environment and to promote housing affordability, in 1996, the City Council reduced these fees by 50% from \$5,000 each for water and sewer hookups per equivalent dwelling unit (edu) to \$2,500 per edu.

¹⁰For fee schedule refer to City of San Diego, Planning and Development Review Department, Information Bulletin 102 and 103.

In response to projections for increasing affordable housing needs and increasing fees, the Planning Department is in the process of updating its method of financing public facilities. The Strategic Framework Element of the General Plan in addition to the update of the Housing Element will re-examine the infrastructure deficit and propose alternate methods for financing infrastructure in urbanized communities (Volume I, pp.55-56). The Strategic Framework Element is projected to be completed by the beginning of the year 2000.

Table 23 provides the applicable DIFs and FBAs, by Community Planning Area for single-family and multi-family units.

Table 23 Development Impact Fees or Facilities Benefits Assessment City of San Diego, Fiscal Year 1999 ¹¹		
PLANNED URBANIZING COMMUNITIES		
Community	Multi-Family Unit	Single-Family Unit
Carmel Mt. Ranch ¹²	-	-
Carmel Valley -N	\$10,040	\$14,342
Carmel Valley - S	\$10,040	\$14,342
Del Mar Mesa	\$20,370	\$29,100 ¹³
Fairbanks Ranch	\$8,649	\$12,355
Miramar Ranch	-	-
Mira Mesa	\$6,946	\$9,923
North University City	\$5,571	\$7,959
Otay Mesa ¹⁴	\$3,893	\$5,561
Pacific Highlands	\$8,521 (8.276) ¹⁵	\$12,173

¹¹ A developer usually pays one or the other (FBA or DIF), not both.

¹² Public facilities in Carmel Mountain Ranch and Miramar Ranch North are paid through developer agreements. In addition, Miramar Ranch North has a cost reimbursement district under which developers of individual projects reimburse the master developer for facilities paid for up front.

¹³ A-1-1 Zone Single Family - \$27,354

¹⁴ Updated Plan in Process. Fees subject to change.

¹⁵ Del Mar Highlands Estate only.

Community	Multi-Family Unit	Single-Family Unit
Rancho Bernardo ¹⁶	\$301/141	\$301/201 ¹⁷
Rancho Penasquitos	\$10,450	\$14,929
Sabre Springs	\$2,369	\$3,384
San Pasqual	\$1,176	\$1,680
Scripps Miramar R	\$2,664	\$3,805
Tierrasanta	\$2,823	\$4,033
Torrey Highlands	\$11,827	\$16,896
Via de la Valle ¹⁸	-	\$3,072
URBANIZED COMMUNITIES		
Community	Multi-Family Unit	Single-Family Unit
Barrio Logan	\$924	\$924
Centre City	\$400	\$400
Clairemont Mesa	\$1,480	\$1,480
College Area	\$2,484	\$2,484
Golden Hill	\$1,821	\$1,821
Kearny Mesa	\$1,545	\$1,545
La Jolla	\$3,138	\$3,138
Linda Vista ¹⁹	\$783	\$783
Mid City ²⁰	\$2,417	\$2,417
Midway/Pacific	\$515	\$515
Mission Beach	\$1,590	\$1,590
Mission Valley	\$2,307	\$2,307
Navajo	\$2,162	\$2,162
North Park ²¹	\$1,920	\$1,920
Ocean Beach	\$3,063	\$3,063

¹⁶Vista del Lago only: Special Park Fee Single / Multi- Family

¹⁷These fees will only be in effect until a full-scale public Facilities Financing Plan is approved by City Council.

¹⁸Not yet Approved by City Council.

¹⁹Includes \$129 per DU for the Linda Vista Community Center

²⁰Credit against DIF is given for special park fee.

²¹Credit against DIF is given for special park fee.

Community	Multi-Family Unit	Single-Family Unit
Old San Diego	\$1,110	\$1,110
Otay-Mesa-Nestor	\$1,589	\$1,589
Pacific Beach	\$2,431	\$2,431
Peninsula	\$2,510	\$2,510
San Ysidro	\$3,486	\$3,486
Serra Mesa	\$1,526	\$1,526
Skyline/Paradise Hills	\$970	\$970
Southeastern San	\$2,430	\$2,430
Tijuana River Valley	\$3,486	\$3,486
Torrey Pines	\$3,474	\$3,474
South University City	\$290	\$290
Uptown	\$800	\$800
Future Urbanizing Area		
Community	Multi-Family Unit	Single-Family Unit
North City	\$12,860	\$18,371 ²² \$22,046 ²³
Source: City of San Diego, Planning and Development Review Department		

Table 23 illustrates that the fees are the same for single-family and multi-family units within a given community in the Urbanized Areas, but differ for single-family and multi-family units in the Planned Urbanizing Areas. The reason for this difference is that the Urbanized Area communities are largely built out and that therefore the vast majority of housing units in these communities are multi-family, primarily through infill and redevelopment.

However, because the Planned Urbanizing Area communities are being developed on vacant land, considerably more variety in housing type occurs. Research has indicated that single-family units have higher trip generating rates than multi-family units. Hence, the impact fees for single-family units are higher than for multi-family units.

Table 23 also illustrates the wide variation in DIF's and FBA's for different communities. Such variation is due to variations in the extent and intensity of infrastructure requirements in different communities, as identified in the Facilities Financing Plans for each community. The Facility Financing Plans in turn are based on the community plans for each community which identify the appropriate land use intensities and corresponding transportation and public facilities needed to support those land uses.

²²Single-family detached

²³Estate Homes (Density of 1, or fewer, per acre)

d. Overall Effect of Fees on Housing Costs

Tables 24 and 25 show the combined effect of permit fees, exactions and water and sewer fees for four hypothetical project types. "Exactions" in Table 23 include park fees, development impact fees, County Water Authority fees, and school fees. Table 24 shows only those fees charged by the City of San Diego. Overall, Tables 23 and 24 show that the larger the housing unit, the higher the fees will be. There is relatively little variation in the building permit fee on a square footage basis for the four housing types. Building permit fees are based on the estimated valuation of the building which is influenced by its size. The impact fees and water and sewer fees tend to be inversely correlated with square footage because they are assessed on a per unit basis regardless of size. For a fee to be assessed on the size of the unit rather than per unit there would have to be a direct correlation between unit size and demand for the particular facility. Previous studies on this relationship have failed to find a relationship between size of facility and demand for those facilities which are currently assessed per unit. However, as previously stated, the Strategic Framework Element will take a fresh look at the method of financing infrastructure in San Diego.

Table 24
Permit Fees for Sample Projects, September 1997
City of San Diego

Type of Project	Total Building Permit and Inspection Fees	Building Permit Fees Per Sq. Ft.	Exactions and Water & Sewer Fees Total Per Dwelling	Exactions and Water & Sewer fees per Sq. Ft.	Total Cost Per Dwelling Unit
1,000 s.f. Condo unit in 9 unit bldg ²⁴	\$718.59	\$0.72	\$7,012.89- \$25,832.89	\$7.01-\$25.83 ²⁵	\$7,731.48- \$26,551.48
1,300 s.f. Condo Unit in 9 unit bldg ²⁶	\$848.89	\$0.65	\$8,235.89- \$27,085.89	\$6.34-\$20.84	\$9,084.78- \$27,934.78
1,800 s.f. Single Family Residence ²⁷	\$2,021.10	\$1.12	\$10,248.92- \$35,192.72	\$5.69-\$19.55	\$12,270.2- \$37,213.82
4,600 s.f. Single Family Residence ²⁸	\$2,992.72	\$0.65	\$15,965.00- \$41,170.00	\$3.47-\$8.95	\$18,957.72- \$44,162.72

Source: City of San Diego, Land Use and Housing Technical Advisory Committee Report, Impediments and Recommendations on Housing Affordability, September 1997.

²⁴This project is one condominium unit in a 9 unit project. The building permit and plan check fees shown are the fees divided by nine units.

²⁵"Exactions" include park fees, development impact fees and facility benefit assessments, County Water Authority fees and school fees. County Water Authority fees depend on the number, type and size of meters requested or provided by the building. It is assumed that one meter is provided per project rather than one meter per unit. School fees vary by school district (\$1.84 per sq. ft. - \$2.97 per sq. ft, except for condominiums for which the maximum is \$1.94 per sq. ft).

²⁶This is one condominium unit in a 9 unit building. The building permit plan check fees shown are the fees divided by the nine units.

²⁷This project is a single family residence permitted through the master plan process.

²⁸The project is a single family residence permitted through the master plan multi-unit process.

Table 25
Comparison of Fees Charged by the City of San Diego for Different Housing Types

Type of Project	Building Construction Valuation	Building Permit Plan Check Fees ²⁹	Building Permit Plan Inspection Fees ³⁰	Park Fees ³¹	Development Impact & Facilities Benefit Assessment Fees	Water & Sewer Capacity Fees ³²	Water & Sewer Meter Installation Fees	Total
1,000 sq.ft. Apt. or Condo in a 9 unit Bldg.	\$70,939	\$341.12	\$377.47	\$0-\$75	\$0-\$15,000	\$4,222	\$75-\$3,270	\$5,016-23,286
1,300 sq.ft. Apt. or Condo in a 9 unit Bldg.	\$93,609	\$394.67	\$454.22	\$0-\$75	\$0-\$15,000	\$4,893	\$75-\$3,720	\$5,817-\$24,537
1,800 sq.ft. Single-Family Residence	\$148,912	\$633.36	\$1,387.74	\$0-\$100	\$0-\$21,000	\$5,000	\$75-\$3,720	\$7,096-\$31,841
4,600 sq.ft. Single-Family Residence	\$292,964	\$913.81	\$2,078.91	\$0-\$100	\$0-\$21,000	\$5,000	\$75-\$3,720	\$8,068-\$32,813

Source: City of San Diego, Land Use and Housing Technical Advisory Committee, Impediments and Recommendations on Housing Affordability Report, September 1997.

9. Permit Processing

The length of time necessary to process development proposals and permit applications is often cited by developers as a key constraint to residential development. There is considerable variation in this time frame. Traditionally, infill housing in urbanized, residentially zoned areas of the city can be processed more quickly than new subdivisions on the periphery of the urban area. This is because infill projects tend to be relatively small and scattered whereas new subdivisions tend to be large and frequently have multiple phases and significant environmental

²⁹The building permit plan check fees include the application fee, energy conservation plan check fee, access plan check fee, landscape plan check, and all other types of applicable plan check fees.

³⁰The building permit inspection fees include the energy conservation permit fee and all other type of applicable permit process fees.

³¹This fee is calculated per dwelling.

³²Water and sewer fees are charged per dwelling unit. Multi-family construction is given a density discount.

issues that need to be evaluated.

In response to increasingly complex requirements for project review and a desire to take a more proactive posture in stimulating economic activity in San Diego during recessionary economic conditions, in March 1993, the Mayor and City Council directed that a 50% reduction in the City's permit processing time be achieved by September 1993.³³

Permits involved in the development process fall into three categories:

(1) Discretionary permits - The major types of discretionary permits include tentative maps, coastal development review permits, hillside review permits, planned district ordinance (PDO) permits and planned residential development permits (PRD's).

(2) Ministerial engineering permits (Final Map): primarily consist of final maps, associated public improvement drawings, and grading authorization for private areas of the project, all of which must be consistent with the discretionary approval previously obtained for the proposed project.

(3) Ministerial Building Permits: deal with the construction details of new buildings or alterations to existing buildings to ensure that the project conforms to construction standards such as the building and fire codes. In addition, conformance to the proposed standards use to the previously approved discretionary action or zoning is also checked.

Table 26 summarizes the average processing times for discretionary and final map permits. This table shows that average permit processing time for discretionary permits dropped from 34.9 weeks in FY 1991 to 22.3 weeks in FY 93, a reduction of 36%. The average processing time for final maps decreased from 49 weeks to 24.5 weeks, a reduction of 50%. Since 1993, average permit processing times have continued to decrease, but at a slower rate. Additionally, the average time for processing a ministerial permit declined significantly from 2.3 weeks in 1991 to 0.9 weeks in 1993. Since 1993, the average processing time for ministerial permits has increased slightly to 1.3 weeks as of 1997.

³³The reductions were measured using Fiscal Year 1991 figures as the base.

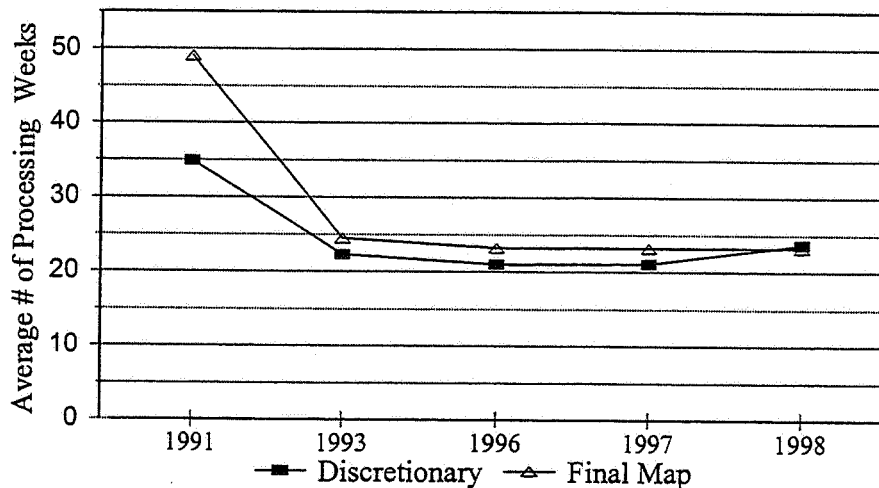
Table 26
Discretionary and Final Map Permit Processing
City of San Diego, FY 1991-1998

	1991		1993		1996		1997		1998	
	# Projects	Average Processing Weeks	# Projects	Average Processing Weeks	# Projects	Average Processing Weeks	# Projects	Average Processing Weeks	# Projects	Average Processing Weeks
Discretionary Permits	329	34.9	329	22.3	183	21	179	21.1	99 ³⁴	23.7
Final Map Permit	56	49	56	24.5	51	23.2	51	23.2 ³⁵	51	23.2 ³⁶

Source: City of San Diego, Planning and Development Review Department

Figure 9 illustrates the average processing time reductions for discretionary and Final Map permits.

Figure 10
Average Processing Time for Discretionary and Final Map Permits
City of San Diego, Fiscal Year 1991-1998



Source: City of San Diego, Development Services Department

³⁴In fiscal year 1998, only Discretionary Project Data was available. Therefore, the total number of projects has declined by comparison.

³⁵Actual data for this permit category for fiscal year 1997 and 1998 is not available, therefore fiscal year 1996 amounts are assumed.

³⁶Actual data for this permit category for fiscal year 1997 and 1998 is not available, therefore fiscal year 1996 amounts are assumed.

On a combined basis³⁷, between fiscal years 1991 through 1998, the City achieved an average permit processing reduction of 52.7 percent.

However, these reductions were based on short term modifications to the development process. To sustain these improvements over a long term and during increased periods of activity, the City began a comprehensive redesign of the development process, called "Process 2000." A comprehensive review completed in 1993 identified specific recommendations for system improvements. These included changes to the organizational structure of the departments involved in the review process, physical collocation of development review activities, use of technology, revisions to the regulatory environment, and changes to the core development review processes. The new system's objectives are to improve coordination of reviews among city departments, significantly reduce the time and cost required to process permits and create more predictability in the permit review process for applicants. In July 1997, components of the system were put into effect citywide.

Process 2000 is continuing to be refined and developed. Key changes completed as of September, 1998 include department restructuring, consolidated check-in and project submittal, the hiring and assignment of project managers to each project and the establishment of a Citywide Development and Permit Information function. Still in progress are the development of a project tracking system, the automation of map data, the consolidation of the permit issuance functions, and the implementation of improvements to the field inspection system. For detailed information on policies and programs related to permit processing and Process 2000, refer to Volume I, pp.52-.53.

It should also be emphasized that a number of variables beyond the City's control can affect the speed at which an application may be processed. A major variable is the speed with which a permit applicant might respond to a City Department's request for additional information. Further delays in permit processing may also result from the complexity of the issues raised by the project proposal. Appeals by citizens opposed to projects and continuances at Planning Director, Planning Commission, and City Council hearings in addition to staff availability and workload may also delay projects. The most time consuming element in processing major residential projects is often the environmental review process. State legislation requires a rigorous public review procedure for environmental impact reports. However, the City will implement provisions in accordance to Section 21080.14 of the Public Resources Code, which specifies that certain affordable housing projects of 100 units or less may be exempted from CEQA if certain criteria are met (Volume I, p.56).

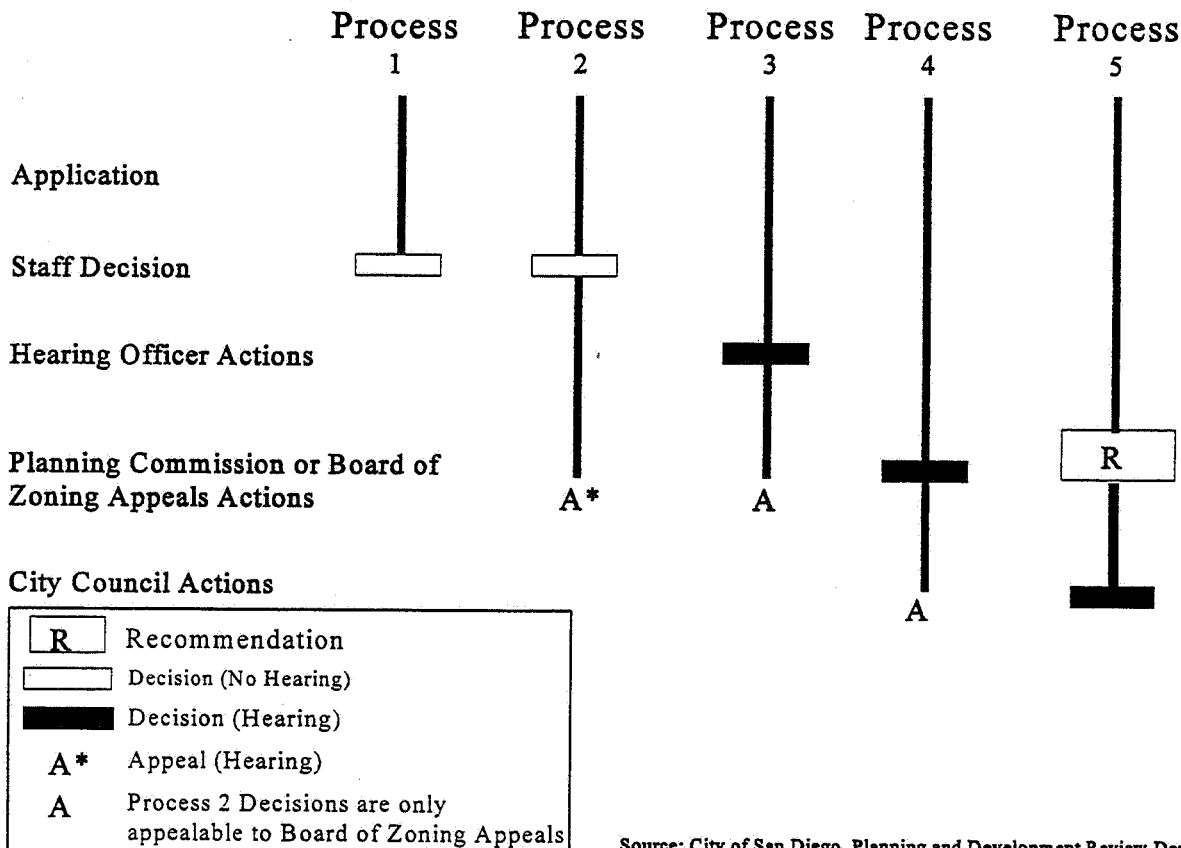
Additionally, the zoning code update resulted in adoption of a consolidated land use decision making process which became effective in 1993. The new ordinance reduced the number of permit processing tracks from more than twenty to five. Every type of action requiring a land use

³⁷The 52.68 percent reduction in average permit processing times for fiscal years 1991 through 1998 include Discretionary, Final Map, and Ministerial permits.

permit has been assigned to one of the five tracks. The tracks range from Process One, which involves actions which have staff review only with no public notice or formal appeal, to Process Five which requires a Planning Commission recommendation and a City Council decision. Figure 11 illustrates the five track system.

Figure 11

Decision Processes



Source: City of San Diego, Planning and Development Review Department

A key component of the new five track process is a maximum of two hearings, either one decision and one appeal or one recommendation and one decision. Previously, an action could have been subject to three or more appeals. The new ordinance also requires noticing of the public of a proposed action soon after initial receipt. The intent is to enable early involvement of interested citizens in order for land use issues to be resolved early, rather than late, in the approval process. Early notification should result in a smoother and quicker approval process in the long term.

10. Article XXXIV of the California Constitution

Article XXXIV of the California Constitution, approved by the State's voters in 1950, requires local referendum authority before a public body (or, in certain cases, a private or nonprofit entity, using public funds) can develop, construct, or acquire property where the majority of residential units are to be used for low-cost rental housing. The referendum authority may be quite general. An Article XXXIV ballot measure need only propose, for example, that public agencies receive authorization to develop, acquire, or finance a certain number of units throughout the community to rent to low-income families or elderly.

The California legislature subsequently enacted Health and Safety Code Section 37000 et seq., which defined the terms “develop, construct, or acquire” and “low-rent housing” in ways that created exemptions from and thus limited the purview of Article XXXIV. For example, any rental development which, both before and after a public agency’s acquisition, is subject to a contract for federal or state assistance to provide affordable housing for low-income households is exempt from the definition of “low-rent housing”. And, in most instances, low-rent housing owned by a private or not-for-profit entity which is financed (in whole or part) with local public funds is not considered to be “developed, constructed or acquired” by a public body and is also exempt.

The voters of the City of San Diego have approved three referenda in 1972, 1976, and 1981, authorizing a total of 5,500 units of low-rent housing subject to Article XXXIV. The Housing Commission estimates that 1,450 units of that authorization now remain.

D. Nongovernmental Constraints

1. Availability of Financing

Financing for Market-Rate Housing

The availability of construction financing for market-rate residential development has improved over the past several years as local lending institutions have grown and new institutions have entered the market. Unfortunately, the local institutions have continued to either merge or be acquired by larger institutions from outside the area. This trend raises some concern as to the commitment that non-local lenders have to the San Diego market should the economy show signs of wellness and lending opportunities look more promising in other areas. Additionally, conservative lending criteria is still limiting the availability of large “acquisition and development” loans necessary to bring larger parcels and master plans to fruition.

Financing for Lower-Income Housing

The emergence of Low Income Housing Tax Credits has become increasingly important as a source of development capital for affordable housing during the 1990's. As this source of capital

has become more important, competition for the tax credits has become increasingly fierce. If successful, recent efforts to increase the credit "ceiling" could have a positive effect.

The return of a robust economy in San Diego has driven up single-home prices, placing them out of reach of most low-income families. Attached housing often provides both rental and entry-level ownership opportunities for lower-income households. Widespread construction defect litigation and a consequent difficulty in obtaining insurance has dampened builders' interest in condominium construction. Lack of production of this housing type has contributed to extremely low vacancy rates and consequent upward pressure on rents and sales prices.

There is still a need for the City/County Reinvestment Task Force which monitors the lending practices of institutions in low and moderate income areas. Through its work, the Task Force seeks to encourage institutions to invest in products and programs that promote affordable housing in those areas.

2. Land Prices

The cost of land is the aggregate expense incurred in the acquisition, the holding of land through the development process and the cost of site improvements prior to construction. Due to a variety of factors, land suitable for residential construction is becoming increasingly scarce in San Diego.

One factor is that most of the easily developable, relatively flat sites with good access and residential land use and zoning have already been developed. Increasingly, sites tend to be located on hillsides, other environmentally sensitive areas, or require redevelopment of an existing less intensive use.

Also contributing to the scarcity of residential development sites are the various factors cited under governmental constraints. Actions taken by the City to manage growth, protect the character of single-family communities, and to preserve environmental quality have reduced the amount of acreage available for residential development in many areas of the City. The rapid build-out of certain planned urbanizing communities such as Rancho Penasquitos, Carmel Mountain Ranch and Sabre Springs has also contributed to reducing the supply of remaining buildable sites.

San Diego land prices are also impacted by surrounding jurisdictions. Since 1985, many of these jurisdictions have adopted growth management measures that act to limit the supply of buildable land in areas beyond the City's boundaries.

During the 1980's, the cost of land in San Diego increased much more than rapidly than the overall cost of living. High land costs are probably the most important single factor in making San Diego one of the least affordable cities for housing in the nation.

Changes in land values tend to fluctuate in response to the national and local economic conditions. The most important measure for determining land costs is the value of finished residential lots that are planned, zoned, and subdivided for residential use. The value of finished lots has tended to move upward in response to increased scarcity of such lots. Finished lots are relatively free from the uncertainty that new regulations or restrictions could limit their future usability and value.

In early 1990, in the developing areas of the Interstate 15 corridor, standard 5,000 square foot single-family lots were valued at \$100,000 to \$150,000, representing at least a threefold increase over 1986 (\$25,000 to \$40,000). In the Carmel Valley/ Interstate 5 area, multifamily land zoned for 15 dwelling units per acre was value at approximately \$400,000 per acre in 1986, increasing to \$1,000,000 per acre in 1990. However, during the early 1990's demand for housing dropped significantly for the first time in several years, reflecting overall national economic conditions.

In 1998, Building Industry Association supplied data³⁸ indicated a return to the rapid increase in finished residential lot prices. Already high prices in the western north city community of Carmel Valley were up from the 1997 range of \$200,000-\$230,000 for single family lots, to \$250,000 (5,000-7,000 square foot lots). Finished 5,000 square foot lots in the somewhat less expensive community of Carmel Mountain Ranch were \$150,000 in 1998. A dramatic change in lot prices was recorded for the City of San Marcos in the north county area. The 1997 range of \$60,000 - \$90,000 (3,600 - 10,000 sq.ft. lots) was surpassed by a 1998 range of \$100,000 - \$180,000 (5,000 - 8,000 sq.ft. lots). Similarly, the upper end of single family lot prices jumped from \$180,000 to \$270,000 in Carlsbad from 1997 to 1998. Because the market is regional to a large extent, such increases tend to drive up prices in the other jurisdictions, including the City of San Diego.

One result of the high land prices has been a gradual tendency to construct larger homes on smaller lots. In the long term, high land costs will likely continue to provide a strong incentive for maximizing development on small lots.

The City has, for a number of years, offered density bonuses as a means of mitigating the impact of high land cost on low- and moderate- income housing production. Few developers have taken advantage of these bonuses because even with density incentives, provision of high cost housing at lower densities has been more profitable and less risky than building for the low- and moderate- income market.

3. Cost of Construction

Labor and materials dictate the direct costs of residential construction. It is difficult to compare specific construction costs of individual units or projects because of variable market conditions and housing features. The housing market took a dramatic plunge in the 1990's due to the

³⁸Construction Industry Research Board

severest economic recession in California since the great depression. This forced many experienced laborers to leave California for areas such as Arizona and Nevada in search of work. The subsequent housing recovery beginning in 1997 has left the region with a labor shortage that is leading to higher labor costs due to market demand.

Housing construction costs in San Diego for a single family home ranges between \$38 and \$50 per square foot, excluding fees and land costs. Multi-family construction is more complex and the cost range can vary significantly. If multi-family construction is built on-grade with no underground parking, the cost can range from \$46 to \$50 per square foot. It climbs significantly to accommodate factors such as underground parking and multiple stories and can range from \$85 to \$105 per square foot.

While the individual cost of multi-family units tends to be lower overall due to economies of scale associated with density and larger numbers of units, land costs primarily and impact fees, secondarily force builders to produce luxury units in order to make a multi-family project economically feasible.

In addition, multi-family condominium construction in San Diego has dropped dramatically from 6,145 permits issued in 1990, to 2,298 permits issued as of September 1998.³⁹ This is due principally to construction defect claims. The resulting increase in cost or availability of insurance for condominium construction has dramatically reduced the construction of this housing type.

As a component of total project costs, direct construction cost for a single-family house is 33 percent of total. However, the limited availability and attendant rapid increase in the cost of entitled land promotes lot prices ranging from \$150 thousand to \$240 thousand for a four to ten thousand square foot lot which represents the potential for land costs to grow as a significant component on total housing costs.

³⁹Construction Industry Board

**HOUSING ELEMENT
VOLUME II
APPENDICES**

APPENDICES

State Housing Element Law	A-1
State Definitions of Housing Terms	B-1
Public Participation Process	C-1
Inventory of “At-Risk” Affordable Units	D-1
Evaluation of Previous Housing Element	E-1
Principles and Guidelines for Program Eligibility for Self Certification	F-1
Methodology for Estimating Vacant and Redevelopable Land Available for Residential Development	G-1
Estimates and Projections of Retail Jobs by Community Planning Areas	H-1
Development Standards and Locational Criteria in Land Development Code for Homeless Facilities and Transitional Housing	I-1
Ordinances O-18588 and O-18589 amending the Municipal Code and Land Development Code to Facilitate the Processing and Siting of Emergency Shelters and Transitional Housing	J-1
Summary of Suggestions from Housing Element Working Group Incorporated and Not Incorporated into Housing Element	K-1
Low-Income Households Overpaying for Housing	L-1
Glossary of Key Terms	M-1
Gap Between Cost of Housing and What Low and Moderate Income Households Can Afford.	N-1
City Council Resolution Authorizing Housing Element for Submittal to HCD	O-1

HOUSING ELEMENT APPENDIX A

State Housing Element Law

GOVERNMENT CODE

SECTION 65580-65589.8

65580. The Legislature finds and declares as follows:

(a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.

(b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.

(c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.

(d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.

(e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.

65581. It is the intent of the Legislature in enacting this article:

(a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.

(b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.

(c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.

(d) To ensure that each local government cooperates with other local governments in order to address regional housing needs.

65582. As used in this article:

(a) "Community," "locality," "local government," or "jurisdiction" means a city, city and county, or county.

(b) "Council of governments" means a single or multicounty council created by a joint powers agreement pursuant to Chapter 5 (commencing with Section 6500) of Division 1 of Title 1.

(c) "Department" means the Department of Housing and Community Development.

(d) "Housing element" or "element" means the housing element of the community's general plan, as required pursuant to this article and subdivision (c) of Section 65302.

(e) "Low- and moderate-income households" means persons and families of low or moderate incomes as defined by Section 50093 of the Health and Safety Code.

65583. The housing element shall consist of an identification and analysis of existing and projected housing needs and a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. The housing element shall identify adequate sites for housing, including rental housing, factory-built housing, and mobilehomes, and shall make adequate provision for the existing and projected needs of all economic segments of the community. The element shall contain all of the following:

(a) An assessment of housing needs and an inventory of resources and constraints relevant to the meeting of these needs. The assessment and inventory shall include the following:

(1) An analysis of population and employment trends and documentation of projections and a quantification of the locality's existing and projected housing needs for all income levels. These existing and projected needs shall include the locality's share of the regional housing need in accordance with Section 65584.

(2) An analysis and documentation of household characteristics, including level of payment compared to ability to pay, housing characteristics, including overcrowding, and housing stock condition.

(3) An inventory of land suitable for residential development, including vacant sites and sites having potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites.

(4) An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures. The analysis shall also demonstrate local efforts to remove governmental constraints that hinder the locality from meeting its share of the regional housing need in accordance with Section 65584.

(5) An analysis of potential and actual nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the availability of financing, the price of land, and the cost of construction.

(6) An analysis of any special housing needs, such as those of the handicapped, elderly, large families, farmworkers, families with female heads of households, and families and persons in need of emergency shelter.

(7) An analysis of opportunities for energy conservation with respect to residential development.

(8) An analysis of existing assisted housing developments that are eligible to change from low-income housing uses during the next 10 years due to termination of subsidy contracts, mortgage prepayment, or expiration of restrictions on use. "Assisted housing developments," for the purpose of this section, shall mean multifamily rental housing that receives governmental assistance under federal programs listed in subdivision (a) of Section 65863.10, state and local multifamily revenue bond programs, local redevelopment programs, the federal Community Development Block Grant Program, or local in-lieu fees. "Assisted housing developments" shall also include multifamily rental units that were developed pursuant to a local inclusionary housing program or used to qualify for a density bonus pursuant to Section 65916.

(A) The analysis shall include a listing of each development by project name and address, the type of governmental assistance received, the earliest possible date of change from low-income use and the total number of elderly and nonelderly units that could be lost from the locality's low-income housing stock in each year during the 10-year period. For purposes of state and federally funded projects, the analysis required by this subparagraph need only contain information available on a statewide basis.

(B) The analysis shall estimate the total cost of producing new rental housing that is comparable in size and rent levels, to replace the units that could change from low-income use, and an estimated cost of preserving the assisted housing developments. This cost analysis for replacement housing may be done aggregately for each five-year period and does not have to contain a project by project cost estimate.

(C) The analysis shall identify public and private nonprofit corporations known to the local government which have legal and managerial capacity to acquire and manage these housing developments.

(D) The analysis shall identify and consider the use of all federal, state, and local financing and subsidy programs which can be used to preserve, for lower income households, the assisted housing developments, identified in this paragraph, including, but not limited to, federal Community Development Block Grant Program funds, tax increment funds received by a redevelopment agency of the community, and administrative fees received by a housing authority operating within the community. In considering the use of these financing and subsidy programs, the analysis shall identify the amounts of funds under each available program which have not been legally obligated for other purposes and which could be available for use in preserving assisted housing developments.

(b) (1) A statement of the community's goals, quantified objectives, and policies relative to the maintenance, preservation, improvement, and development of housing.

(2) It is recognized that the total housing needs identified pursuant to subdivision (a) may exceed available resources and the community's ability to satisfy this need within the content of the general plan requirements outlined in Article 5 (commencing with Section 65300). Under these circumstances, the quantified objectives need not be identical to the total housing needs. The quantified objectives shall establish the maximum number of housing units by income category that can be constructed, rehabilitated, and conserved over a five-year time period.

(c) A program which sets forth a five-year schedule of actions the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the housing element through the administration of land use and development controls, provision of regulatory concessions and incentives, and the utilization of appropriate federal and state financing and subsidy programs when available and the utilization of moneys in a Low and Moderate Income Housing Fund of an agency if the locality has established a redevelopment project area pursuant to the Community Redevelopment Law (Division 24 (commencing with Section 33000) of the Health and Safety Code). In order to make adequate provision for the housing needs of all economic segments of the community, the program shall do all of the following:

(1) (A) Identify adequate sites which will be made available through appropriate zoning and development standards and with services and facilities, including sewage collection and treatment, domestic water supply, and septic tanks and wells, needed to facilitate and encourage the development of a variety of types of housing for all income levels, including multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employees, emergency shelters, and transitional housing in order to meet the community's housing goals as identified in subdivision (b). Where the inventory of sites, pursuant to paragraph (3) of subdivision (a), does not identify adequate sites to accommodate the need for groups of all household income levels pursuant to Section 65584, the program shall provide for sufficient sites with zoning that permits owner-occupied and rental multifamily residential use by right, including density and development standards that could accommodate and facilitate the feasibility of housing for very low and low-income households. Where the inventory of sites pursuant to

paragraph (3) of subdivision (a) does not identify adequate sites to accommodate the need for farmworker housing, the program shall provide for sufficient sites to meet the need with zoning that permits farmworker housing use by right, including density and development standards that could accommodate and facilitate the feasibility of the development of farmworker housing for low and very low income households.

(B) For purposes of this paragraph, the phrase "use by right" shall mean the use does not require a conditional use permit, except when the proposed project is a mixed-use project involving both commercial or industrial uses and residential uses. Use by right for all rental multifamily residential housing shall be provided in accordance with subdivision (f) of Section 65589.5.

(C) The requirements of this subdivision regarding identification of sites for farmworker housing shall apply commencing with the next revision of housing elements required by Section 65588 following the enactment of this subparagraph.

(2) Assist in the development of adequate housing to meet the needs of low- and moderate-income households.

(3) Address and, where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing.

(4) Conserve and improve the condition of the existing affordable housing stock, which may include addressing ways to mitigate the loss of dwelling units demolished by public or private action.

(5) Promote housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, or color.

(6) (A) Preserve for lower income households the assisted housing developments identified pursuant to paragraph (8) of subdivision (a).

The program for preservation of the assisted housing developments shall utilize, to the extent necessary, all available federal, state, and local financing and subsidy programs identified in paragraph (8) of subdivision (a), except where a community has other urgent needs for which alternative funding sources are not available. The program may include strategies that involve local regulation and technical assistance.

(B) The program shall include an identification of the agencies and officials responsible for the implementation of the various actions and the means by which consistency will be achieved with other general plan elements and community goals. The local government shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the housing element, and the program shall describe this effort.

(d) The analysis and program for preserving assisted housing developments required by the amendments to this section enacted by the Statutes of 1989 shall be adopted as an amendment to the housing element by July 1, 1992.

(e) Failure of the department to review and report its findings pursuant to Section 65585 to the local government between July 1, 1992, and the next periodic review and revision required by Section 65588, concerning the housing element amendment required by the amendments to this section by the Statutes of 1989, shall not be used as a basis for allocation or denial of any housing assistance administered pursuant to Part 2 (commencing with Section 50400) of Division 31 of the Health and Safety Code.

65583.1. (a) The Department of Housing and Community Development, in evaluating a proposed or adopted housing element for consistency with state law, may allow a city or county to identify adequate sites, as required pursuant to Section 65583, by a variety of methods, including, but not limited to, redesignation of property to

a more intense land use category and increasing the density allowed within one or more categories. Nothing in this section reduces the responsibility of a city or county to identify, by income category, the total number of sites for residential development as required by this article.

(b) Sites that contain permanent housing units located on a military base undergoing closure or conversion as a result of action pursuant to the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100-526), the Defense Base Closure and Realignment Act of 1990 (Public Law 101-510), or any subsequent act requiring the closure or conversion of a military base may be identified as an adequate site if the housing element demonstrates that the housing units will be available for occupancy by households within the planning period of the element. No sites containing housing units scheduled or planned for demolition or conversion to nonresidential uses shall qualify as an adequate site.

Any city, city and county, or county using this subdivision shall address the progress in meeting this section in the reports provided pursuant to paragraph (1) of subdivision (b) of Section 65400.

(c) (1) The Department of Housing and Community Development may allow a city or county to substitute the provision of units for up to 25 percent of the community's obligation to identify adequate sites for any income category in its housing element pursuant to paragraph (1) of subdivision (c) of Section 65583 if the community includes in its housing element a program committing the local government to provide units in that income category within the city or county that will be made available through the provision of committed assistance during the planning period covered by the element to low- and very low income households at affordable housing costs or affordable rents, as defined in Sections 50052.5 and 50053 of the Health and Safety Code, and which meet the requirements of paragraph (2). Except as otherwise provided in this subdivision, the community may substitute one dwelling unit for one dwelling unit site in the applicable income category. The program shall do all of the following:

(A) Identify the specific, existing sources of committed assistance and dedicate a specific portion of the funds from those sources to the provision of housing pursuant to this subdivision.

(B) Indicate the number of units that will be provided to both low- and very low income households and demonstrate that the amount of dedicated funds is sufficient to develop the units at affordable housing costs or affordable rents.

(C) Demonstrate that the units meet the requirements of paragraph (2).

(2) Only units that comply with subparagraph (A), (B), or (C) qualify for inclusion in the housing element program described in paragraph (1), as follows:

(A) Units that are to be substantially rehabilitated with committed assistance from the city or county and constitute a net increase in the community's stock of housing affordable to low- and very low income households. For purposes of this subparagraph, a unit is not eligible to be "substantially rehabilitated" unless all of the following requirements are met:

(i) At the time the unit is identified for substantial rehabilitation, (I) the local government has determined that the unit is at imminent risk of loss to the housing stock, (II) the local government has committed to provide relocation assistance pursuant to Chapter 16 (commencing with Section 7260) of Division 7 of Title 1 to any occupants temporarily or permanently displaced by the rehabilitation or code enforcement activity, (III) the local government requires that any displaced occupants will have the right to reoccupy the rehabilitated units, and (IV) the unit has been cited and found by the local code enforcement agency or a court to be unfit for human habitation and vacated or subject to being vacated because of the existence for not less than 120 days of four of the

conditions listed in subdivisions (a) to (g), inclusive, of Section 17995.3 of the Health and Safety Code.

(ii) The rehabilitated unit will have long-term affordability covenants and restrictions that require the unit to be available to, and occupied by, persons or families of low- or very low income at affordable housing costs for at least 20 years or the time period required by any applicable federal or state law or regulation, except that if the period is less than 20 years, only one unit shall be credited as an identified adequate site for every three units rehabilitated pursuant to this section, and no credit shall be allowed for a unit required to remain affordable for less than 10 years.

(iii) Prior to initial occupancy after rehabilitation, the local code enforcement agency shall issue a certificate of occupancy indicating compliance with all applicable state and local building code and health and safety code requirements.

(B) Units that are located in a multifamily rental housing complex of 16 or more units, are converted with committed assistance from the city or county from nonaffordable to affordable by acquisition of the unit or the purchase of affordability covenants and restrictions for the unit, are not acquired by eminent domain, and constitute a net increase in the community's stock of housing affordable to low- and very low income households. For purposes of this subparagraph, a unit is not converted by acquisition or the purchase of affordability covenants unless all of the following occur:

(i) The unit is made available at a cost affordable to low- or very low income households.

(ii) At the time the unit is identified for acquisition, the unit is not available at a cost affordable to low- or very low income households.

(iii) At the time the unit is identified for acquisition the unit is not occupied by low- or very low income households.

(iv) The unit is in decent, safe, and sanitary condition at the time of occupancy.

(v) The acquisition price is not greater than 120 percent of the median price for housing units in the city or county.

(vi) The unit has long-term affordability covenants and restrictions that require the unit to be affordable to persons of low or very low income for not less than 30 years.

(C) Units that will be preserved at affordable housing costs to persons or families of low or very low incomes with committed assistance from the city or county by acquisition of the unit or the purchase of affordability covenants for the unit. For purposes of this subparagraph, a unit shall not be deemed preserved unless all of the following occur:

(i) The unit has long-term affordability covenants and restrictions that require the unit to be affordable to and reserved for occupancy by persons of the same or lower income group as the current occupants for a period of at least 40 years.

(ii) The unit is multifamily rental housing that receives governmental assistance under any of the following state and federal programs: Section 221(d)(3) of the National Housing Act (12 U.S.C. Sec. 1715l(d)(3) and (5)); Section 236 of the National Housing Act (12 U.S.C. Sec. 1715z-1); Section 202 of the Housing Act of 1959 (12 U.S.C. Sec. 1701q); for rent supplement assistance under Section 101 of the Housing and Urban Development Act of 1965, as amended (12 U.S.C. Sec. 1701s); under Section 515 of the Housing Act of 1949, as amended (42 U.S.C. Sec. 1485); and any new construction, substantial rehabilitation, moderate rehabilitation, property disposition, and loan management set-aside programs, or any other program providing project-based assistance, under Section 8 of the United States Housing Act of 1937, as amended (42 U.S.C. Sec. 1437f); any state and local multifamily revenue bond programs; local redevelopment programs; the federal Community Development Block Grant Program; and other local housing assistance programs or units that were used to

qualify for a density bonus pursuant to Section 65916.

(iii) The city or county finds, after a public hearing, that the unit is eligible, and is reasonably expected, to change from housing affordable to low- and very low income households to any other use during the next five years due to termination of subsidy contracts, mortgage prepayment, or expiration of restrictions on use.

(iv) The unit is in decent, safe, and sanitary condition at the time of occupancy.

(v) At the time the unit is identified for preservation it is available at affordable cost to persons or families of low or very low income.

(3) This subdivision does not apply to any city or county that, during the current or immediately prior planning period, as defined by Section 65588, has not met any of its share of the regional need for affordable housing, as defined in Section 65584, for low- and very low income households. A city or county shall document for any such housing unit that a building permit has been issued and all development and permit fees have been paid or the unit is eligible to be lawfully occupied.

(4) For purposes of this subdivision, "committed assistance" means that the city or county enters into a legally enforceable agreement during the first two years of the housing element planning period that obligates sufficient available funds to provide the assistance necessary to make the identified units affordable and that requires that the units be made available for occupancy within two years of the execution of the agreement. "Committed assistance" does not include tenant-based rental assistance.

(5) For purposes of this subdivision, "net increase" includes only housing units provided committed assistance pursuant to subparagraph (A) or (B) of paragraph (2) in the current planning period, as defined in Section 65588, that were not provided committed assistance in the immediately prior planning period.

(6) For purposes of this subdivision, "the time the unit is identified" means the earliest time when any city or county agent, acting on behalf of a public entity, has proposed in writing or has proposed orally or in writing to the property owner, that the unit be considered for substantial rehabilitation, acquisition, or preservation.

(7) On July 1 of the third year of the planning period, as defined by Section 65588, in the report required pursuant to Section 65400, each city or county that has included in its housing element a program to provide units pursuant to subparagraph (A), (B), or (C) of paragraph (2) shall report in writing to the legislative body, and to the department within 30 days of making its report to the legislative body, on its progress in providing units pursuant to this subdivision. The report shall identify the specific units for which committed assistance has been provided or which have been made available to low- and very low income households, and it shall adequately document how each unit complies with this subdivision. If, by July 1 of the third year of the planning period, the city or county has not entered into an enforceable agreement of committed assistance for all units specified in the programs adopted pursuant to subparagraph (A), (B), or (C) of paragraph (2), the city or county shall, not later than July 1 of the fourth year of the planning period, adopt an amended housing element in accordance with Section 65585, identifying additional adequate sites pursuant to paragraph (1) of subdivision (c) of Section 65583 sufficient to accommodate the number of units for which committed assistance was not provided. If a city or county does not amend its housing element to identify adequate sites to address any shortfall, or fails to complete the rehabilitation, acquisition, purchase of affordability covenants, or the preservation of any housing unit within two years after committed assistance was provided to that unit, it shall be prohibited from identifying units pursuant to subparagraph (A), (B), or (C) of paragraph (2) in the housing element that it adopts for the next

planning period, as defined in Section 65588, above the number of units actually provided or preserved due to committed assistance.

65584. (a) For purposes of subdivision (a) of Section 65583, the share of a city or county of the regional housing needs includes that share of the housing need of persons at all income levels within the area significantly affected by a general plan of the city or county.

The distribution of regional housing needs shall, based upon available data, take into consideration market demand for housing, employment opportunities, the availability of suitable sites and public facilities, commuting patterns, type and tenure of housing need, the loss of units contained in assisted housing developments, as defined in paragraph (8) of subdivision (a) of Section 65583, that changed to non-low-income use through mortgage prepayment, subsidy contract expirations, or termination of use restrictions, and the housing needs of farmworkers. The distribution shall seek to reduce the concentration of lower income households in cities or counties which already have disproportionately high proportions of lower income households. Based upon population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, and in consultation with each council of governments, the Department of Housing and Community Development shall determine the regional share of the statewide housing need at least two years prior to the second revision, and all subsequent revisions as required pursuant to Section 65588. Based upon data provided by the department relative to the statewide need for housing, each council of governments shall determine the existing and projected housing need for its region. Within 30 days following notification of this determination, the department shall ensure that this determination is consistent with the statewide housing need. The department may revise the determination of the council of governments if necessary to obtain this consistency. The appropriate council of governments shall determine the share for each city or county consistent with the criteria of this subdivision and with the advice of the department subject to the procedure established pursuant to subdivision (c) at least one year prior to the second revision, and at five-year intervals following the second revision pursuant to Section 65588. The council of governments shall submit to the department information regarding the assumptions and methodology to be used in allocating the regional housing need. As part of the allocation of the regional housing need, the council of governments, or the department pursuant to subdivision (b), shall provide each city and county with data describing the assumptions and methodology used in calculating its share of the regional housing need. The department shall submit to each council of governments information regarding the assumptions and methodology to be used in allocating the regional share of the statewide housing need. As part of its determination of the regional share of the statewide housing need, the department shall provide each council of governments with data describing the assumptions and methodology used in calculating its share of the statewide housing need. The councils of governments shall provide each city and county with the department's information. The council of governments shall provide a subregion with its share of the regional housing need, and delegate responsibility for providing allocations to cities and a county or counties in the subregion to a subregional entity if this responsibility is requested by a county and all cities in the county, a joint powers authority established pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1, or the governing body of a subregional agency established by the council of governments, in accordance with an agreement entered into between the council of governments and the subregional entity that sets forth the process, timing, and other terms and conditions of that

delegation of responsibility.

(b) For areas with no council of governments, the department shall determine housing market areas and define the regional housing need for cities and counties within these areas pursuant to the provisions for the distribution of regional housing needs in subdivision (a). If the department determines that a city or county possesses the capability and resources and has agreed to accept the responsibility, with respect to its jurisdiction, for the identification and determination of housing market areas and regional housing needs, the department shall delegate this responsibility to the cities and counties within these areas.

(c) (1) Within 90 days following a determination of a council of governments pursuant to subdivision (a), or the department's determination pursuant to subdivision (b), a city or county may propose to revise the determination of its share of the regional housing need in accordance with the considerations set forth in subdivision (a). The proposed revised share shall be based upon available data and accepted planning methodology, and supported by adequate documentation.

(2) Within 60 days after the time period for the revision by the city or county, the council of governments or the department, as the case may be, shall accept the proposed revision, modify its earlier determination, or indicate, based upon available data and accepted planning methodology, why the proposed revision is inconsistent with the regional housing need.

(A) If the council of governments or the department, as the case may be, does not accept the proposed revision, then the city or county shall have the right to request a public hearing to review the determination within 30 days.

(B) The city or county shall be notified within 30 days by certified mail, return receipt requested, of at least one public hearing regarding the determination.

(C) The date of the hearing shall be at least 30 days from the date of the notification.

(D) Before making its final determination, the council of governments or the department, as the case may be, shall consider comments, recommendations, available data, accepted planning methodology, and local geological and topographic restraints on the production of housing.

(3) If the council of governments or the department accepts the proposed revision or modifies its earlier determination, the city or county shall use that share. If the council of governments or the department grant a revised allocation pursuant to paragraph (1), the council of governments or the department shall ensure that the current total housing need is maintained. If the council of governments or department indicates that the proposed revision is inconsistent with the regional housing need, the city or county shall use the share which was originally determined by the council of governments or the department.

(4) The determination of the council of governments or the department, as the case may be, shall be subject to judicial review pursuant to Section 1094.5 of the Code of Civil Procedure.

(5) The council of governments or the department shall reduce the share of regional housing needs of a county if all of the following conditions are met:

(A) One or more cities within the county agree to increase its share or their shares in an amount which will make up for the reduction.

(B) The transfer of shares shall only occur between a county and cities within that county.

(C) The county's share of low-income and very low income housing shall be reduced only in proportion to the amount by which the county's share of moderate- and above moderate-income housing is reduced.

(D) The council of governments or the department, whichever assigned the county's share, shall have authority over the approval

of the proposed reduction, taking into consideration the criteria of subdivision (a).

(6) The housing element shall contain an analysis of the factors and circumstances, with all supporting data, justifying the revision.

All materials and data used to justify any revision shall be made available upon request by any interested party within seven days upon payment of reasonable costs of reproduction unless the costs are waived due to economic hardship.

(d) (1) Except as provided in paragraph (2), any ordinance, policy, or standard of a city or county that directly limits, by number, the building permits that may be issued for residential construction, or limits for a set period of time the number of buildable lots that may be developed for residential purposes, shall not be a justification for a determination or a reduction in the share of a city or county of the regional housing need.

(2) Paragraph (1) does not apply to any city or county that imposes a moratorium on residential construction for a specified period of time in order to preserve and protect the public health and safety. If a moratorium is in effect, the city or county shall, prior to a revision pursuant to subdivision (c), adopt findings that specifically describe the threat to the public health and safety and the reasons why construction of the number of units specified as its share of the regional housing need would prevent the mitigation of that threat.

(e) Any authority to review and revise the share of a city or county of the regional housing need granted under this section shall not constitute authority to revise, approve, or disapprove the manner in which the share of the city or county of the regional housing need is implemented through its housing program.

(f) A fee may be charged interested parties for any additional costs caused by the amendments made to subdivision (c) by Chapter 1684 of the Statutes of 1984 reducing from 45 to seven days the time within which materials and data shall be made available to interested parties.

(g) Determinations made by the department, a council of governments, or a city or county pursuant to this section are exempt from the California Environmental Quality Act, Division 13 (commencing with Section 21000) of the Public Resources Code.

65584.3. (a) A city that is incorporated to promote commerce and industry, that is located in the County of Los Angeles, and that has no residentially zoned land within its boundaries on January 1, 1992, may elect to adopt a housing element that makes no provision for new housing or the share of regional housing needs as determined pursuant to Section 65584 for the current and subsequent revisions of the housing element pursuant to Section 65588, for the period of time that 20 percent of all tax increment revenue accruing from all redevelopment projects, and required to be set aside for low- and moderate-income housing pursuant to Section 33334.2 of the Health and Safety Code, is annually transferred to the Housing Authority of the County of Los Angeles.

(b) (1) The amount of tax increment to be transferred each year pursuant to subdivision (a) shall be determined at the end of each fiscal year, commencing with the 1992-93 fiscal year. This amount shall be transferred within 30 days of the agency receiving each installment of its allocation of tax increment moneys, commencing in 1993.

(2) On or before December 31, 1992, the agency shall make an additional payment to the Housing Authority of the County of Los Angeles that eliminates any indebtedness to the low- and moderate-income housing fund pursuant to Section 33334.3. This amount shall be reduced by any amount actually expended by the redevelopment agency for principal or interest payments on agency

bonds issued prior to the effective date of the act that adds this section, when that portion of the agency's tax increment revenue representing the low- and moderate-income housing set-aside funds was lawfully pledged as security for the bonds, and only to the extent that other tax increment revenue in excess of the 20-percent low- and moderate-income set-aside funds is insufficient in that fiscal year to meet in full the principal and interest payments.

(c) The Department of Housing and Community Development shall annually review the calculation and determination of the amount transferred pursuant to subdivisions (a) and (b). The department may conduct an audit of these funds if and when the Director of Housing and Community Development deems an audit appropriate.

(d) The amount transferred pursuant to subdivisions (a) and (b) shall fulfill the obligation of that city's redevelopment agency to provide for housing for low- and moderate-income families and individuals pursuant to Sections 33334.2 to 33334.16, inclusive, of the Health and Safety Code. The use of these funds for low- and moderate-income families in the region of the Southern California Association of Governments within which the city is located shall be deemed to be of benefit to the city's redevelopment project areas.

(e) (1) The amount transferred pursuant to subdivisions (a) and (b) to the Housing Authority of the County of Los Angeles shall be expended to provide housing and assistance, including, but not limited to, that specified in subdivision (e) of Section 33334.2 of the Health and Safety Code for low- and moderate-income families and individuals, in the region of the Southern California Association of Governments within which the city is located.

(2) Funds expended pursuant to this subdivision shall be expended in accordance with all of the following:

(A) The funds shall be expended for the construction of low- and moderate-income housing located no further than 15 miles from the nearest boundary line of the City of Industry.

(B) The low- and moderate-income housing constructed pursuant to this subdivision shall be in addition to any other housing required by the housing element of the general plan of the jurisdiction in which the low- and moderate-income housing is constructed.

(C) Funds may be encumbered by the Housing Authority of the County of Los Angeles for the purposes of this subdivision only after the authority has prepared a written plan for the expenditure of funds to be transferred to the authority pursuant to this subdivision and has filed a copy of this expenditure plan with the Department of Housing and Community Development.

(f) A city that meets the conditions specified in subdivision (d) shall continue to have responsibility for preparing a housing element pursuant to Section 65583 only to the extent to which the assessment of housing needs, statement of goals and objectives, and the five-year schedule of actions relate to the city's plan to maintain, preserve, and improve the housing that exists in the city on the effective date of the act which adds this section.

(g) This section shall not become operative unless and until a parcel of land, to be dedicated for the construction of a high school, is transferred pursuant to a written agreement between the City of Industry and the Pomona Unified School District, and a copy of this agreement is filed with the County Clerk of the County of Los Angeles.

65584.5. (a) A city or county may transfer a percentage of its share of the regional housing needs to another city or county, if all of the following requirements are met:

(1) Both the receiving city or county and the transferring city or county comply with all of the conditions specified in subdivision

(b).

(2) The council of governments or the department reviews the

findings made pursuant to paragraph (2) of subdivision (c).

(3) The transfer does not occur more than once in a five-year housing element interval pursuant to subdivision (b) of Section 65588.

(4) The procedures specified in subdivision (c) are met.

(b) (1) Except as provided in paragraph (5) of subdivision (c) of Section 65584, a city or county transferring a share of its regional housing needs shall first have met, in the current or previous housing element cycle, at least 15 percent of its existing share of the region's affordable housing needs, as defined in Section 65584, in the very low and lower income category of income groups defined in Section 50052.5 of the Health and Safety Code if it proposes to transfer not more than 15 percent. In no event, however, shall the city or county transfer more than 500 dwelling units in a housing element cycle.

(2) A city or county shall transfer its regional housing needs in the same proportion by income group as the jurisdiction has met its regional housing needs.

(3) The transfer shall be only between jurisdictions that are contiguously situated or between a receiving city or county that is within 10 miles of the territory of the community of the donor city or county. If both the donor community and receiving community are counties, the donor county shall be adjacent to, in the same council of governments region as, and in the same housing market as, the receiving county. The sites on which any transferred housing units will be constructed shall be in the receiving city or county, and within the same housing market area as the jurisdiction of the donor city or county.

(4) The transferring and receiving city or county shall have adopted, and shall be implementing, a housing element in substantial compliance with Section 65583.

(5) The transferring city or county and the receiving city or county shall have completed, and provided to the department, the annual report required by subdivision (b) of Section 65400.

(c) (1) The donor city or county and the receiving city or county shall, at least 45 days prior to the transfer, hold a public hearing, after providing notice pursuant to Section 6062, to solicit public comments on the draft contract, including its terms, conditions, and determinations.

(2) The transferring and the receiving city or county shall do all of the following:

(A) Adopt a finding, based on substantial evidence on the record, that the transfer of the regional housing need pursuant to the terms of the agreement will not cause or exacerbate racial, ethnic, or economic segregation and will not create a detrimental financial impact upon the receiving city or county.

(B) Adopt a finding, based on substantial evidence on the record, that the transfer of the regional housing need will result in the construction of a greater number of similar type dwelling units than if the transfer does not occur.

(3) (A) The transferring city or county and the receiving city or county shall enter into an agreement to transfer units eligible under subdivision (b). A copy of this agreement shall be sent to the council of governments and the department to be kept on file for public examination.

(B) The agreement shall include a plan and schedule for timely construction of dwelling units, including, in addition to site identification, identification of and timeframes for applying for sufficient subsidy or mortgage financing if the units need a subsidy or mortgage financing, and a finding that sufficient services and public facilities will be provided.

(4) At least 60 days prior to the transfer, the receiving city or county planning agency and the transferring city or county planning agency shall submit to the department a draft amendment to reflect the identified transferred units. A transferring agency may reduce

its housing needs only to the extent that it had not previously reduced its housing needs pursuant to paragraph (2) of subdivision (b) of Section 65583. A county planning agency that has its share of the regional housing need reduced pursuant to paragraph (5) of subdivision (c) of Section 65584 shall comply with this section. A receiving city or county shall, in addition to any other provisions of the article, identify in its housing element sufficient sites to meet its initial low- and moderate-income housing needs and sufficient sites to meet all transferred housing needs.

(5) The department shall review the draft amendment and report its written findings to the planning agency within 45 days of its receipt.

(6) The department's review shall follow the same procedure, requirements, and responsibilities of Sections 65583, 65585, 65587, and 65589.3. The court shall consider any written findings submitted by the department.

(d) No transfer made pursuant to this section shall affect the plans for a development that have been submitted to a city or county for approval 45 days prior to the adoption of the amendment to the housing element.

(e) No transfer made pursuant to this section shall be counted toward any ordinance or policy of a locality that specifically limits the number of units that may be constructed.

(f) The Attorney General or any other interested person shall have authority to enforce the terms of the agreement and the provisions of this section.

(g) For a period of five years after the transfer occurs, the report required by subdivision (b) of Section 65400 shall include information on the status of transferred units, implementation of the terms and conditions of the transfer contract, and information on any dwelling units actually constructed, including the number, type, location, and affordability requirements in place for these units.

(h) (1) At least 60 days prior to the proposed transfer, the donor city or county shall submit the proposed agreement to the council of governments, or to the department if there is no council of governments that serves the city or county, for review. The governing board of the council or the director shall determine whether there is substantial evidence to support the terms, conditions, and determinations of the agreement and whether the agreement complies with the substantive and procedural requirements of this section. If the council or the director finds that there is substantial evidence to support the terms, conditions, and determinations of the agreement, and that the agreement complies with the substantive and procedural requirements of this section, the participating jurisdictions may proceed with the agreement. If the governing board or the director finds that there is not substantial evidence to support the terms, conditions, and findings of the agreement, or that the agreement does not comply with the substantive and procedural requirements of this section, the board or the director may make recommendations for revising or terminating the agreement. The participating jurisdictions shall then include those revisions, if any, or terminate the agreement.

(2) The council or the director may convene a committee to advise the council or the director in conducting this review. The donor city or county and the receiving community shall pay the council's or the department's costs associated with the committee. Neither the donor city or county, nor the receiving city or county, may expend moneys in its Low and Moderate Income Housing Fund of its redevelopment agency for costs associated with the committee.

(3) Membership of the committee appointed pursuant to paragraph (2) shall include all of the following:

- (A) One representative appointed by the director.
- (B) One representative appointed by the donor agency.
- (C) One representative appointed by the receiving community.
- (D) Two low- and moderate-income housing advocates, appointed by

the director, who represent those persons in that region.

(i) (1) The receiving city or county shall construct the housing units within three years of the date that the transfer contract is entered into pursuant to this section. This requirement shall be met by documenting that a building permit has been issued and all fees have been paid.

(2) Any portion of a regional share allocation that is transferred to another jurisdiction, and that is not constructed within the three-year deadline set forth in paragraph (1), shall be reallocated by the council of governments to the transferring city or county, and the transferring city or county shall modify its zoning ordinance, if necessary, and amend its housing element to reflect the reallocated units.

(3) If, at the end of the five-year housing element planning period, any portion of a regional share allocation that is transferred to another jurisdiction is not yet constructed, the council of governments shall add the unbuilt units to the normal regional fair share allocation and reallocate that amount to either of the following:

(A) The receiving city, if the three-year deadline for construction has not yet occurred; or

(B) The transferring city, if the three-year deadline for construction has occurred.

(4) If the transferred units are not constructed within three years, the nonperforming jurisdictions participating in the transfer of regional share allocations shall be precluded from transferring their regional shares, pursuant to this section, for the planning period of the next periodic update of the housing element.

(j) On or after January 1, 2000, no transferring city or county shall enter into an agreement pursuant to this section unless a later enacted statute, which is enacted before January 1, 2000, deletes or extends that date.

(k) If Article XXXIV of the California Constitution is applicable, the receiving city or county shall certify that it has sufficient authority under Article XXXIV of the California Constitution to allow development of units transferred pursuant to this section.

(l) The receiving city or county shall not, within three years of the date of the transfer agreement entered into pursuant to this section, or until transferred units are constructed, whichever is longer, enter into a contract to transfer units outside the territorial jurisdiction of the agency pursuant to this section.

(m) Communities that have transferred a portion of their share of the regional housing need to another city or county pursuant to this section shall comply with all other provisions of law for purposes of meeting the remaining regional housing need not transferred, including compliance with the provisions of Section 65589.5.

(n) As used in this section, "housing market area" means the area determined by a council of governments or the department pursuant to Section 65584, and based upon market demand for housing, employment opportunities, the availability of suitable sites and public facilities, and commuting patterns.

(o) This section shall not be construed to interfere with the right of counties to transfer shares of regional housing needs pursuant to paragraph (5) of subdivision (c) of Section 65584.

65584.6. (a) The County of Napa may, during its current housing element planning period, identified in Section 65588, meet up to 15 percent of its existing share of the regional housing need for lower income households, as defined in Section 65584, by committing funds for the purpose of constructing affordable housing units, and constructing those units in one or more cities within the county, only after all of the following conditions are met:

(1) An agreement has been executed between the county and the

receiving city or cities, following a public hearing held by the county and the receiving city or cities to solicit public comments on the draft agreement. The agreement shall contain information sufficient to demonstrate that the county and city or cities have complied with the requirements of this section and shall also include the following:

(A) A plan and schedule for timely construction of dwelling units.

(B) Site identification by street address for the units to be developed.

(C) A statement either that the sites upon which the units will be developed were identified in the receiving city's housing element as potential sites for the development of housing for lower-income households, or that the units will be developed on previously unidentified sites.

(D) The number and percentage of the county's lower-income housing needs previously transferred, for the appropriate planning period, pursuant to this section.

(2) The council of governments that assigned the county's share receives and approves each proposed agreement to meet a portion of the county's fair share housing allocation within one or more of the cities within the county after taking into consideration the criteria of subdivision (a) of Section 65584. If the council of governments fails to take action to approve or disapprove an agreement between the county and the receiving city or cities within 45 days following the receipt of the agreement, the agreement shall be deemed approved.

(3) The city or cities in which the units are developed agree not to count the units towards their share of the region's affordable housing need.

(4) The county and the receiving city or cities, based on substantial evidence on the record, make the following findings:

(A) Adequate sites with appropriate zoning exist in the receiving city or cities to accommodate the units to be developed pursuant to this section. The agreement shall demonstrate that the city or cities have identified sufficient vacant or underutilized or vacant and underutilized sites in their housing elements to meet their existing share of regional housing need, as allocated by the council of governments pursuant to subdivision (a) of Section 65584, in addition to the sites needed to construct the units pursuant to this section.

(B) If needed, additional subsidy or financing for the construction of the units is available.

(C) The receiving city or cities have housing elements that have been found by the Department of Housing and Community Development to be in compliance with this article.

(5) If the sites upon which units are to be developed pursuant to this section were previously identified in the receiving city's housing element as potential sites for the development of housing sufficient to accommodate the receiving city's share of the lower income household need identified in its housing element, then the receiving city shall have amended its housing element to identify replacement sites by street address for housing for lower-income households. Additionally, the Department of Housing and Community Development shall have received and reviewed the amendment and found that the city's housing element continues to comply with this article.

(6) The county and receiving city or cities shall have completed, and provided to the department, the annual report required by subdivision (b) of Section 65400.

(7) For a period of five years after a transfer occurs, the report required by subdivision (b) of Section 65400 shall include information on the status of transferred units, implementation of the terms and conditions of the transfer agreement, and information on any dwelling units actually constructed, including the number, type,

location, and affordability requirements.

(8) The receiving city demonstrates that it has met, in the current or previous housing element cycle, at least 20 percent of its share of the regional need for housing for very low-income households allocated to the city pursuant to Section 65584.

(b) The credit that the county receives pursuant to this section shall not exceed 40 percent of the number of units that are affordable to lower income households and constructed and occupied during the same housing element cycle in unincorporated areas of the county. The county shall only receive the credit after the units have been constructed and occupied. Within 60 days of issuance of a certificate of occupancy for the units, the county shall inform the council of governments and the department in writing that a certificate of occupancy has been issued.

(c) Concurrent with the review by the council of governments prescribed by this section, the Department of Housing and Community Development shall evaluate the agreement to determine whether the city or cities are in substantial compliance with this section. The department shall report the results of its evaluation to the county and city or cities for inclusion in their record of compliance with this section.

(d) If at the end of the five-year period identified in subdivision (c) of Section 65583, any percentage of the regional share allocation has not been constructed as provided pursuant to subdivision (a), or, after consultation with the department, the council of governments determines that the requirements of paragraphs (5) and (7) of subdivision (a) have not been substantially complied with, the council of governments shall add the unbuilt units to Napa County's regional share allocation for the planning period of the next periodic update of the housing element.

(e) Napa County shall not meet a percentage of its share of the regional share pursuant to subdivision (a) on or after June 30, 2007, unless a later enacted statute, that is enacted before June 30, 2007, deletes or extends that date.

65585. (a) In the preparation of its housing element, each city and county shall consider the guidelines adopted by the department pursuant to Section 50459 of the Health and Safety Code. Those guidelines shall be advisory to each city or county in the preparation of its housing element.

(b) At least 90 days prior to adoption of its housing element, or at least 60 days prior to the adoption of an amendment to this element, the planning agency shall submit a draft element or draft amendment to the department. The department shall review the draft and report its written findings to the planning agency within 90 days of its receipt of the draft in the case of an adoption or within 60 days of its receipt in the case of a draft amendment.

(c) In the preparation of its findings, the department may consult with any public agency, group, or person. The department shall receive and consider any written comments from any public agency, group, or person regarding the draft or adopted element or amendment under review.

(d) In its written findings, the department shall determine whether the draft element or draft amendment substantially complies with the requirements of this article.

(e) Prior to the adoption of its draft element or draft amendment, the legislative body shall consider the findings made by the department. If the department's findings are not available within the time limits set by this section, the legislative body may act without them.

(f) If the department finds that the draft element or draft amendment does not substantially comply with the requirements of this article, the legislative body shall take one of the following actions:

(1) Change the draft element or draft amendment to substantially comply with the requirements of this article.

(2) Adopt the draft element or draft amendment without changes. The legislative body shall include in its resolution of adoption written findings which explain the reasons the legislative body believes that the draft element or draft amendment substantially complies with the requirements of this article despite the findings of the department.

(g) Promptly following the adoption of its element or amendment, the planning agency shall submit a copy to the department.

(h) The department shall, within 90 days, review adopted housing elements or amendments and report its findings to the planning agency.

65585.1. (a) The San Diego Association of Governments (SANDAG), if it approves a resolution agreeing to participate in the self-certification process, and in consultation with the cities and county within its jurisdiction, its housing element advisory committee, and the department, shall work with a qualified consultant to determine the maximum number of housing units that can be constructed, acquired, rehabilitated, and preserved as defined in paragraph (11) of subdivision (e) of Section 33334.2 of the Health and Safety Code, and the maximum number of units or households that can be provided with rental or ownership assistance, by each jurisdiction during the third and fourth housing element cycles to meet the existing and future housing needs for low and very low income households as defined in Sections 50079.5, 50093, and 50105 of the Health and Safety Code, and extremely low income households. The methodology for determining the maximum number of housing units that can be provided shall include a recognition of financial resources and regulatory measures that local jurisdictions can use to provide additional affordable lower income housing. This process is intended to identify the available resources that can be used to determine the maximum number of housing units each jurisdiction can provide. The process acknowledges that the need to produce housing for low, very low, and extremely low income households may exceed available resources. The department and SANDAG, with input from its housing element advisory committee, the consultant, and local jurisdictions, shall agree upon definitions for extremely low income households and their affordable housing costs, the methodology for the determination of the maximum number of housing units and the number each jurisdiction can produce at least one year before the due date of each housing element revision, pursuant to paragraph (3) of subdivision (e) of Section 65588. If SANDAG fails to approve a resolution agreeing to participate in this pilot program, or SANDAG and the department fail to agree upon the methodology by which the maximum number of housing units is determined, then local jurisdictions may not self-certify pursuant this section.

(1) The "housing element advisory committee" should include representatives of the local jurisdictions, nonprofit affordable housing development corporations and affordable housing advocates, and representatives of the for-profit building, real estate and banking industries.

(2) The determination of the "maximum number of housing units" that the jurisdiction can provide assumes that the needs for low, very low, and extremely low income households, including those with special housing needs, will be met in approximate proportion to their representation in the region's population.

(3) A "qualified consultant" for the purposes of this section means an expert in the identification of financial resources and regulatory measures for the provision of affordable housing for lower income households.

(b) A city or county within the jurisdiction of the San Diego

Association of Governments that elects not to self-certify, or is ineligible to do so, shall submit its housing element or amendment to the department, pursuant to Section 65585.

(c) A city or county within the jurisdiction of the San Diego Association of Governments that elects to self-certify shall submit a self-certification of compliance to the department with its adopted housing element or amendment. In order to be eligible to self-certify, the legislative body, after holding a public hearing, shall make findings, based on substantial evidence, that it has met the following criteria for self-certification:

(1) The jurisdiction's adopted housing element or amendment substantially complies with the provisions of this article, including addressing the needs of all income levels.

(2) For the third housing element revision, pursuant to Section 65588, the jurisdiction met its fair share of the regional housing needs for the second housing element revision cycle, as determined by the San Diego Association of Governments.

In determining whether a jurisdiction has met its fair share, the jurisdiction may count each additional lower income household provided with affordable housing costs. Affordable housing costs are defined in Section 6918 for renters, and in Section 6925 for purchasers, of Title 25 of the California Code of Regulations, and in Sections 50052.5 and 50053 of the Health and Safety Code, or by the applicable funding source or program.

(3) For subsequent housing element revisions, pursuant to Section 65588, the jurisdiction has provided the maximum number of housing units as determined pursuant to subdivision (a), within the previous planning period.

(A) The additional units provided at affordable housing costs as defined in paragraph (2) in satisfaction of a jurisdiction's maximum number of housing units shall be provided by one or more of the following means:

(i) New construction.

(ii) Acquisition.

(iii) Rehabilitation.

(iv) Rental or ownership assistance.

(v) Preservation of the availability to lower income households of affordable housing units in developments which are assisted, subsidized, or restricted by a public entity, and which are threatened with imminent conversion to market rate housing.

(B) The additional affordable units shall be provided in approximate proportion to the needs defined in paragraph (2) of subdivision (a).

(4) The city or county provides a statement regarding how its adopted housing element or amendment addresses the dispersion of lower income housing within its jurisdiction, documenting that additional affordable housing opportunities will not be developed only in areas where concentrations of lower income households already exist, taking into account the availability of necessary public facilities and infrastructure.

(5) No local government actions or policies prevent the development of the identified sites pursuant to Section 65583, or accommodation of the jurisdiction's share of the total regional housing need, pursuant to Section 65584.

(d) When a city or county within the jurisdiction of the San Diego Association of Governments duly adopts a self-certification of compliance with its adopted housing element or amendment pursuant to subdivision (c), all of the following shall apply:

(1) Section 65585 shall not apply to the city or county.

(2) In any challenge of a local jurisdiction's self-certification, the court's review shall be limited to determining whether the self-certification is accurate and complete as to the criteria for self-certification. Where there has not been a successful challenge of the self-certification, there shall be a rebuttable presumption of the validity of the housing element or amendment.

(3) Within six months after the completion of the revision of all housing elements in the region, the council of governments, with input from the cities and county within its jurisdiction, the housing element advisory committee, and qualified consultant shall report to the Legislature on the use and results of the self-certification process by local governments within its jurisdiction. This report shall contain data for the last planning period regarding the total number of additional affordable housing units provided by income category, the total number of additional newly constructed housing units, and any other information deemed useful by SANDAG in the evaluation of the pilot program.

(e) This section shall become inoperative on June 30, 2009, and as of January 1, 2010, is repealed, unless a later enacted statute, which is enacted before January 1, 2010, deletes or extends that date.

65586. - Local governments shall conform their housing elements to the provisions of this article on or before October 1, 1981. Jurisdictions with housing elements adopted before October 1, 1981, in conformity with the housing element guidelines adopted by the Department of Housing and Community Development on December 7, 1977, and located in Subchapter 3 (commencing with Section 6300) of Chapter 6 of Part 1 of Title 25 of the California Administrative Code, shall be deemed in compliance with this article as of its effective date. A locality with a housing element found to be adequate by the department before October 1, 1981, shall be deemed in conformity with these guidelines.

65587. (a) Each city, county, or city and county shall bring its housing element, as required by subdivision (c) of Section 65302, into conformity with the requirements of this article on or before October 1, 1981, and the deadlines set by Section 65588. Except as specifically provided in subdivision (b) of Section 65361, the Director of Planning and Research shall not grant an extension of time from these requirements.

(b) Any action brought by any interested party to review the conformity with the provisions of this article of any housing element or portion thereof or revision thereto shall be brought pursuant to Section 1085 of the Code of Civil Procedure; the court's review of compliance with the provisions of this article shall extend to whether the housing element or portion thereof or revision thereto substantially complies with the requirements of this article.

(c) If a court finds that an action of a city, county, or city and county, which is required to be consistent with its general plan, does not comply with its housing element, the city, county, or city and county shall bring its action into compliance within 60 days. However, the court shall retain jurisdiction throughout the period for compliance to enforce its decision. Upon the court's determination that the 60-day period for compliance would place an undue hardship on the city, county, or city and county, the court may extend the time period for compliance by an additional 60 days.

65588. (a) Each local government shall review its housing element as frequently as appropriate to evaluate all of the following:

(1) The appropriateness of the housing goals, objectives, and policies in contributing to the attainment of the state housing goal.

(2) The effectiveness of the housing element in attainment of the community's housing goals and objectives.

(3) The progress of the city, county, or city and county in implementation of the housing element.

(b) The housing element shall be revised as appropriate, but not less than every five years, to reflect the results of this periodic review.

(c) The review and revision of housing elements required by this section shall take into account any low- or moderate-income housing provided or required pursuant to Section 65590.

(d) The review pursuant to subdivision (c) shall include, but need not be limited to, the following:

(1) The number of new housing units approved for construction within the coastal zone after January 1, 1982.

(2) The number of housing units for persons and families of low or moderate income, as defined in Section 50093 of the Health and Safety Code, required to be provided in new housing developments either within the coastal zone or within three miles of the coastal zone pursuant to Section 65590.

(3) The number of existing residential dwelling units occupied by persons and families of low or moderate income, as defined in Section 50093 of the Health and Safety Code, that have been authorized to be demolished or converted since January 1, 1982, in the coastal zone.

(4) The number of residential dwelling units for persons and families of low or moderate income, as defined in Section 50093 of the Health and Safety Code, that have been required for replacement or authorized to be converted or demolished as identified in paragraph (3). The location of the replacement units, either onsite, elsewhere within the locality's jurisdiction within the coastal zone, or within three miles of the coastal zone within the locality's jurisdiction, shall be designated in the review.

(e) Notwithstanding subdivision (b) or the date of adoption of the housing elements previously in existence, the dates of revisions for the housing element shall be modified as follows:

(1) Local governments within the regional jurisdiction of the Southern California Association of Governments: December 31, 2000, for the third revision, and June 30, 2005, for the fourth revision.

(2) Local governments within the regional jurisdiction of the Association of Bay Area Governments: December 31, 2001, for the third revision, and June 30, 2006, for the fourth revision.

(3) Local governments within the regional jurisdiction of the Council of Fresno County Governments, the Kern County Council of Governments, the Sacramento Area Council of Governments, and the Association of Monterey Bay Area Governments: June 30, 2002, for the third revision, and June 30, 2007, for the fourth revision.

(4) Local governments within the regional jurisdiction of the San Diego Association of Governments: December 31, 1999, for the third revision cycle ending June 30, 1999, and June 30, 2004, for the fourth revision.

(5) All other local governments: June 30, 2003, for the third revision, and June 30, 2008, for the fourth revision.

(6) Subsequent revisions shall be completed not less often than at five-year intervals following the fourth revision.

65588.1. (a) The planning period of existing housing elements prepared pursuant to subdivision (b) of Section 65588 shall be extended through the housing element due date prescribed in subdivision (e) of Section 65588. Local governments shall continue to implement the housing program of existing housing elements and the annual review pursuant to Section 65400.

(b) The extension provided in this section shall not limit the existing responsibility under subdivision (b) of Section 65588 of any jurisdiction to adopt a housing element in conformance with this article.

(c) It is the intent of the Legislature that nothing in this section shall be construed to reinstate any mandates pursuant to Chapter 1143 of the Statutes of 1980 suspended by the Budget Act of 1993-94.

65589. (a) Nothing in this article shall require a city, county, or city and county to do any of the following:

(1) Expend local revenues for the construction of housing, housing subsidies, or land acquisition.

(2) Disapprove any residential development which is consistent with the general plan.

(b) Nothing in this article shall be construed to be a grant of authority or a repeal of any authority which may exist of a local government to impose rent controls or restrictions on the sale of real property.

(c) Nothing in this article shall be construed to be a grant of authority or a repeal of any authority which may exist of a local government with respect to measures that may be undertaken or required by a local government to be undertaken to implement the housing element of the local general plan.

(d) The provisions of this article shall be construed consistent with, and in promotion of, the statewide goal of a sufficient supply of decent housing to meet the needs of all Californians.

65589.3. In any action filed on or after January 1, 1991, taken to challenge the validity of a housing element, there shall be a rebuttable presumption of the validity of the element or amendment if, pursuant to Section 65585, the department has found that the element or amendment substantially complies with the requirements of this article.

65589.5. (a) The Legislature finds all of the following:

(1) The lack of affordable housing is a critical problem which threatens the economic, environmental, and social quality of life in California.

(2) California housing has become the most expensive in the nation. The excessive cost of the state's housing supply is partially caused by activities and policies of many local governments which limit the approval of affordable housing, increase the cost of land for affordable housing, and require that high fees and exactions be paid by producers of potentially affordable housing.

(3) Among the consequences of those actions are discrimination against low-income and minority households, lack of housing to support employment growth, imbalance in jobs and housing, reduced mobility, urban sprawl, excessive commuting, and air quality deterioration.

(4) Many local governments do not give adequate attention to the economic, environmental, and social costs of decisions which result in disapproval of affordable housing projects, reduction in density of affordable housing projects, and excessive standards for affordable housing projects.

(b) It is the policy of the state that a local government not reject or make infeasible affordable housing developments which contribute to meeting the housing need determined pursuant to this article without a thorough analysis of the economic, social, and environmental effects of the action and without meeting the provisions of subdivision (d).

(c) The Legislature also recognizes that premature and unnecessary development of agricultural lands to urban uses continues to have adverse effects on the availability of those lands for food and fiber

production and on the economy of the state. Furthermore, it is the policy of the state that development should be guided away from prime agricultural lands; therefore, in implementing this section, local jurisdictions should encourage, to the maximum extent practicable, in filling existing urban areas.

(d) A local agency shall not disapprove a housing development project affordable to very low, low- or moderate-income households or condition approval in a manner which renders the project infeasible for development for the use of very low, low- or moderate-income households unless it makes written findings, based upon substantial evidence in the record, as to one of the following:

(1) The jurisdiction has adopted a housing element pursuant to this article that has been revised in accordance with Section 65588 and that is in substantial compliance with this article, and the development project is not needed for the jurisdiction to meet its share of the regional housing need for very low, low-, or moderate-income housing.

(2) The development project as proposed would have a specific, adverse impact upon the public health or safety, and there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the development unaffordable to low- and moderate-income households. As used in this paragraph, a "specific, adverse impact" means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete.

(3) The denial of the project or imposition of conditions is required in order to comply with specific state or federal law, and there is no feasible method to comply without rendering the development unaffordable to low- and moderate-income households.

(4) Approval of the development project would increase the concentration of lower income households in a neighborhood that already has a disproportionately high number of lower income households and there is no feasible method of approving the development at a different site, including those sites identified pursuant to paragraph (1) of subdivision (c) of Section 65583, without rendering the development unaffordable to low- and moderate-income households.

(5) The development project is proposed on land zoned for agriculture or resource preservation which is surrounded on at least two sides by land being used for agricultural or resource preservation purposes, or which does not have adequate water or wastewater facilities to serve the project.

(6) The development project is inconsistent with both the jurisdiction's zoning ordinance and general plan land use designation as specified in any element of the general plan as it existed on the date the application was deemed complete, and the jurisdiction has adopted a housing element pursuant to this article.

(e) Nothing in this section shall be construed to relieve the local agency from complying with the Congestion Management Program required by Chapter 2.6 (commencing with Section 65088) of Division 1 of Title 7 or the California Coastal Act (Division 20 (commencing with Section 30000) of the Public Resources Code). Neither shall anything in this section be construed to relieve the local agency from making one or more of the findings required pursuant to Section 21081 of the Public Resources Code or otherwise complying with the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

(f) Nothing in this section shall be construed to prohibit a local agency from requiring the development project to comply with written development standards, conditions, and policies appropriate to, and consistent with, meeting the quantified objectives relative to the development of housing, as required in the housing element pursuant to subdivision (b) of Section 65583. Nothing in this section shall be construed to prohibit a local agency from imposing fees and other

exactions otherwise authorized by law which are essential to provide necessary public services and facilities to the development project.

(g) This section shall be applicable to charter cities because the Legislature finds that the lack of affordable housing is a critical statewide problem.

(h) The following definitions apply for the purposes of this section:

(1) "Feasible" means capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social, and technological factors.

(2) "Affordable to very low, low-, or moderate-income households" means that either (A) at least 20 percent of the total units shall be sold or rented to lower income households, as defined in Section 50079.5 of the Health and Safety Code, or (B) 100 percent of the units shall be sold or rented to moderate-income households as defined in Section 50093 of the Health and Safety Code, or middle-income households, as defined in Section 65008 of this code. Housing units targeted for lower income households shall be made available at a monthly housing cost that does not exceed 30 percent of 60 percent of area median income with adjustments for household size made in accordance with the adjustment factors on which the lower income eligibility limits are based. Housing units targeted for persons and families of moderate income shall be made available at a monthly housing cost that does not exceed 30 percent of 100 percent of area median income with adjustments for household size made in accordance with the adjustment factors on which the moderate income eligibility limits are based.

(3) "Area median income" shall mean area median income as periodically established by the Department of Housing and Community Development pursuant to Section 50093 of the Health and Safety Code. The developer shall provide sufficient legal commitments to ensure continued availability of units for very low or low-income households in accordance with the provisions of this subdivision for 30 years.

(4) "Neighborhood" means a planning area commonly identified as such in a community's planning documents, and identified as a neighborhood by the individuals residing and working within the neighborhood. Documentation demonstrating that the area meets the definition of neighborhood may include a map prepared for planning purposes which lists the name and boundaries of the neighborhood.

(5) "Disapprove the development project" includes any instance in which a local agency does either of the following:

(A) Votes on a proposed housing development project application and the application is disapproved.

(B) Fails to comply with the time periods specified in subparagraph (B) of paragraph (1) of subdivision (a) of Section 65950. An extension of time pursuant to Article 5 (commencing with Section 65950) shall be deemed to be an extension of time pursuant to this paragraph.

(i) If any city, county, or city and county denies approval or imposes restrictions, including a reduction of allowable densities or the percentage of a lot which may be occupied by a building or structure under the applicable planning and zoning in force at the time the application is deemed complete pursuant to Section 65943, which have a substantial adverse effect on the viability or affordability of a housing development affordable to very low, low-, or moderate-income households, and the denial of the development or the imposition of restrictions on the development is the subject of a court action which challenges the denial, then the burden of proof shall be on the local legislative body to show that its decision is consistent with the findings as described in subdivision (d) and that the findings are supported by substantial evidence in the record.

(j) When a proposed housing development project complies with applicable, objective general plan and zoning standards and criteria

in effect at the time that the housing development project's application is determined to be complete, but the local agency proposes to disapprove the project or to approve it upon the condition that the project be developed at a lower density, the local agency shall base its decision regarding the proposed housing development project upon written findings supported by substantial evidence on the record that both of the following conditions exist:

(1) The housing development project would have a specific, adverse impact upon the public health or safety unless the project is disapproved or approved upon the condition that the project be developed at a lower density. As used in this paragraph, a "specific, adverse impact" means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete.

(2) There is no feasible method to satisfactorily mitigate or avoid the adverse impact identified pursuant to paragraph (1), other than the disapproval of the housing development project or the approval of the project upon the condition that it be developed at a lower density.

(k) If in any action brought to enforce the provisions of this section, a court finds that the local agency disapproved a project or conditioned its approval in a manner rendering it infeasible for the development of very low, low-, or moderate-income households without properly making the findings required by this section or without making sufficient findings supported by substantial evidence, the court shall issue an order or judgment compelling compliance with this section within 60 days, including, but not limited to, an order that the local agency take action on the development project. The court shall retain jurisdiction to ensure that its order or judgment is carried out. If the court determines that its order or judgment has not been carried out within 60 days, the court may issue further orders as provided by law to ensure that the purposes and policies of this section are fulfilled.

(l) In any action, the record of the proceedings before the local agency shall be filed as expeditiously as possible and, notwithstanding Section 1094.6 of the Code of Civil Procedure, all or part of the record may be filed (1) by the petitioner with the petition or petitioner's points and authorities, (2) by the respondent with respondent's points and authorities, (3) after payment of costs by the petitioner, or (4) as otherwise directed by the court. If the expense of preparing the record has been borne by the petitioner and the petitioner is the prevailing party, the expense shall be taxable as costs.

65589.6. In any action taken to challenge the validity of a decision by a city, county, or city and county to disapprove a project or approve a project upon the condition that it be developed at a lower density pursuant to Section 65589.5, the city, county, or city and county shall bear the burden of proof that its decision has conformed to all of the conditions specified in Section 65589.5.

65589.7. (a) The housing element adopted by the legislative body and any amendments made to that element shall be delivered to all public agencies or private entities that provide water services at retail or sewer services within the territory of the legislative body. When allocating or making plans for the allocation of available and future resources or services designated for residential use, each public agency or private entity providing water services at retail or sewer services, shall grant a priority for the provision of these available and future resources or services to proposed

housing developments which help meet the city's, county's, or city and county's share of the regional housing need for lower income households as identified in the housing element adopted by the legislative body and any amendments made to that element.

(b) This section is intended to neither enlarge nor diminish the existing authority of a city, county or city and county in adopting a housing element. Failure to deliver a housing element adopted by the legislative body or amendments made to that element, to a public agency or private entity providing water services at retail or sewer services shall not invalidate any action or approval of a development project. The special districts which provide water services at retail or sewer services related to development, as defined in subdivision (e) of Section 56426, are included within this section.

(c) As used in this section, "water services at retail" means supplying water directly to the end user or consumer of that water, and does not include sale by a water supplier to another water supplier for resale.

65589.8. A local government which adopts a requirement in its housing element that a housing development contain a fixed percentage of affordable housing units, shall permit a developer to satisfy all or a portion of that requirement by constructing rental housing at affordable monthly rents, as determined by the local government.

Nothing in this section shall be construed to expand or contract the authority of a local government to adopt an ordinance, charter amendment, or policy requiring that any housing development contain a fixed percentage of affordable housing units.

HOUSING ELEMENT APPENDIX B

State Definitions of Housing Terms

HEALTH AND SAFETY CODE

SECTION 50050-50105

50050. Unless otherwise indicated by the context, the definitions contained in this chapter shall govern the construction of this division.

50051. "Affirmative action" means any program created pursuant to rules and regulations of the agency to create greater job opportunities for members of disadvantaged racial, sexual, religious, ancestral, or national-origin groups. Such program shall include educational, promotional, and other appropriate activity designed to secure greater employment opportunity for the members of such groups.

50052. "Affirmative marketing program" means any program approved by the agency that is designed to achieve greater access to housing opportunities created by this division for members of disadvantaged racial, sexual, religious, ancestral, or national-origin groups. Such program shall include educational, promotional, and other appropriate activity designed to secure greater housing opportunities for the members of such groups. Where a significant number of persons in a community have limited fluency in the English language, publications implementing an affirmative marketing program in that community shall be provided in the native language of such persons.

50052.5. (a) For any owner-occupied housing which receives assistance prior to January 1, 1991, and a condition of that assistance is compliance with this section, "affordable housing cost" with respect to lower income households shall not exceed 25 percent of gross income.

(b) For any owner-occupied housing which receives assistance on or after January 1, 1991, and a condition of that assistance is compliance with this section, "affordable housing cost" shall not exceed the following:

(1) For very low income households the product of 30 percent times 50 percent of the area median income adjusted for family size appropriate for the unit.

(2) For lower income households whose gross incomes exceed the maximum income for very low income households and do not exceed 70 percent of the area median income adjusted for family size, the product of 30 percent times 70 percent of the area median income adjusted for family size appropriate for the unit. In addition, for any lower income household that has a gross income that equals or exceeds 70 percent of the area median income adjusted for family size, it shall be optional for any state or local funding agency to require that affordable housing cost not exceed 30 percent of the gross income of the household.

(3) For moderate income households, affordable housing cost shall not be less than 28 percent of the gross income of the household, nor exceed the product of 35 percent times 110 percent of area median income adjusted for family size appropriate for the unit. In addition, for any moderate income household that has a gross income that exceeds 110 percent of the area median income adjusted for

family size, it shall be optional for any state or local funding agency to require that affordable housing cost not exceed 35 percent of the gross income of the household.

(c) The department shall, by regulation, adopt criteria defining, and providing for determination of, gross income, adjustments for family size appropriate to the unit, and housing cost for purposes of determining affordable housing cost under this section. These regulations may provide alternative criteria, where necessary to be consistent with pertinent federal statutes and regulations governing federally assisted housing. The agency may, by regulation, adopt alternative criteria, and pursuant to subdivision (f) of Section 50462, alternative percentages of income may be adopted for agency-assisted housing development.

With respect to moderate and lower income households who are tenants of rental housing developments and members or shareholders of cooperative housing developments, or limited equity cooperatives "affordable housing cost" has the same meaning as affordable rent, as defined in Section 50053.

Regulations of the department shall also include a method for determining the maximum construction cost, mortgage loan, or sales price that will make housing available to an income group at affordable housing cost.

For purposes of this section, "area median income" shall mean area median income as published by the department pursuant to Section 50093.

For purposes of this section, "moderate income household" shall have the same meaning as "persons and families of moderate income" as defined in Section 50093.

For purposes of this section, and provided there are no pertinent federal statutes applicable to a project or program, "adjusted for family size appropriate to the unit" shall mean for a household of one person in the case of a studio unit, two persons in the case of a one-bedroom unit, three persons in the case of a two-bedroom unit, four persons in the case of a three-bedroom unit, and five persons in the case of a four-bedroom unit.

50053. (a) For any rental housing development which receives assistance prior to January 1, 1991, and a condition of that assistance is compliance with this section, "affordable rent" with respect to lower income households shall not exceed the percentage of the gross income of the occupant person or household established by regulation of the department which shall not be less than 15 percent of gross income nor exceed 25 percent of gross income.

(b) For any rental housing development which receives assistance on or after January 1, 1991, and a condition of that assistance is compliance with this section, "affordable rent," including a reasonable utility allowance, shall not exceed:

(1) For very low income households, the product of 30 percent times 50 percent of the area median income adjusted for family size appropriate for the unit.

(2) For lower income households whose gross incomes exceed the maximum income for very low income households, the product of 30 percent times 60 percent of the area median income adjusted for family size appropriate for the unit. In addition, for those lower income households with gross incomes that exceed 60 percent of the area median income adjusted for family size, it shall be optional for any state or local funding agency to require that affordable rent be established at a level not to exceed 30 percent of gross income of the household.

(3) For moderate income households, the product of 30 percent times 110 percent of the area median income adjusted for family size appropriate for the unit. In addition, for those moderate income households whose gross incomes exceed 110 percent of the area median

income adjusted for family size, it shall be optional for any state or local funding agency to require that affordable rent be established at a level not to exceed 30 percent of gross income of the household.

(c) The department's regulation shall permit alternative percentages of income for agency-assisted rental and cooperative housing developments pursuant to regulations adopted under subdivision (f) of Section 50462. The department shall, by regulation, adopt criteria defining and providing for determination of gross income, adjustments for family size appropriate to the unit, and rent for purposes of this section. These regulations may provide alternative criteria, where necessary, to be consistent with pertinent federal statutes and regulations governing federally assisted rental and cooperative housing. The agency may, by regulation, adopt alternative criteria, and pursuant to subdivision (f) of Section 50462, alternative percentages of income may be adopted for agency-assisted housing developments.

For purposes of this section, "area median income," "adjustments for family size appropriate to the unit," and "moderate income household" shall have the same meaning as provided in Section 50052.5.

50054. "Agency" means the California Housing Finance Agency.

50055. "Assisted housing" means housing financed by a below-market interest rate mortgage insured or purchased, or a loan made, by the Secretary of the United States Department of Housing and Urban Development or by the Farmers Home Administration of the United States Department of Agriculture; or a market-interest-rate mortgage insured or purchased, or a loan made in combination with, or as augmented by, a program of rent supplements or subsidies, interest subsidies, leasing, contributions or grants, or other programs as are now or hereafter authorized by federal law to serve persons and families of low or moderate income; or a mortgage or loan made pursuant to this division; or a mortgage or loan from any private or public source with an interest rate and terms satisfactory to the agency and which will meet the requirements and purposes of this division.

50056. "Below-market interest" means a below-market interest rate adequate to return to the agency sufficient income to meet its obligations, reserve requirements, and expenses connected with a loan financed by the agency for which such interest rate is established as determined by the agency at the time of commitment of funds, for the permanent financing.

50057. "Board" means the board of directors of the agency.

50058. "Bonds" means bonds, notes (including bond anticipation notes and construction loan notes), debentures, interim or other certificates, or other evidences of financial indebtedness issued by the agency pursuant to Part 3 (commencing with Section 50900) or Part 6 (commencing with Section 52500).

50058.5. "Buy-down mortgage plan" is a program by which the effective interest cost to the purchaser of a real property is reduced below market rates through supplemental payments by the agency to a qualified mortgage lender in return for which the agency shall obtain from the purchaser an interest-bearing note secured by a subordinated mortgage on the property which is purchased.

50059. "Cause" means gross neglect of duties, fraud, or violation of Section 50904 or 50905.

50060. "Citizen participation" means action by the local agency that is approved by the agency as sufficient to provide persons who will be affected by financing or loan insurance assistance within a neighborhood preservation area, under the provisions of Chapter 6 (commencing with Section 51300) of Part 3 of this division or under Part 4 (commencing with Section 51600) of this division, with opportunities to be involved in planning and carrying out the financing or loan insurance assistance program. "Citizen participation" shall include, but not be limited to, all of the following and in the order provided below:

(a) Holding a public meeting prior to the hearing by the legislative body considering selection of the area for designation as a neighborhood preservation area.

(b) Consultation with an elected or appointed citizen advisory board, composed of representatives of both owners of property in, and residents of, a proposed neighborhood preservation area, in developing a plan for public improvements and the rules and regulations for implementation of the proposed assistance program.

(c) Dissemination at least seven days prior to the original hearing by mailing to property owners within the proposed neighborhood preservation area at the address shown on the latest assessment roll and by distributing to residents of the proposed neighborhood preservation area by a manner determined appropriate by the local agency, of information relating to the time and location of the hearing, boundaries of the proposed area, and a general description of the proposed assistance program.

In addition to the requirements of subdivisions (a) to (c), inclusive, any other means of citizen involvement determined appropriate by the legislative body may be implemented.

In lieu of initiating a new process of citizen participation, local agencies which have conducted or are conducting a citizen-participation process as part of an existing housing community development program, may substitute such citizen-participation process if the board approves such process as meeting the requirements of this section.

Public meetings and consultations held to implement the requirements of citizen participation shall be conducted by a planning or rehabilitation official designated by the legislative body. Public meetings shall be held at times and places convenient to residents and property owners.

50061. "Commission" means the Commission of Housing and Community Development.

50061.5. Any reference in this division to the Commission of Housing and Community Development shall be deemed to be to the Department of Housing and Community Development and the department

may exercise all the powers and shall perform all the duties of the commission.

50062. "Concentrated rehabilitation area" means an area characterized by substantial deterioration of residential structures and which is designated by the agency pursuant to Section 51302.

50062.5. "Congregate housing for the elderly" means a housing development, as defined by Section 50073.5, which is planned, designed, and managed to include facilities and common space that allow for direct services and support services that maximize the residents' potential for independent living and which is occupied by elderly or handicapped persons or households, as defined in Sections 50067 and 50072. Direct services and support services which are provided or made available shall relate to the nutritional, social, recreational, housekeeping, and personal needs of the residents and shall be provided or made available at a level necessary to assist the residents to function independently.

"Direct services," as used in this section, means meals, housekeeping services, transportation services, and planned recreational and social activities which shall be provided to the residents directly by the management of the congregate housing.

"Support services," as used in this section, means social services, day-care services, and in-home services which the management of the congregate housing shall assist the residents in obtaining, at the request of the residents.

50063. "Construction loan" means a short-term loan secured by real property, made for development costs incurred in construction or rehabilitation of a housing development or residential structure.

50064. "Department" means the Department of Housing and Community Development.

50065. "Development costs" means the aggregate of all costs incurred in connection with a housing development which are approved by the agency as reasonable and necessary, including, but not limited to, the following:

(a) The cost of refinancing or acquiring land and any buildings thereon, including payments for commissions, options, deposits, or contracts to purchase properties on a proposed housing development site or payments for the purchase of such properties.

(b) The cost of site preparation, demolition, and clearing.

(c) Architectural, engineering, legal, accounting, consulting, and other fees paid or payable in connection with the planning, execution, and financing of a housing development and the finding of an eligible mortgagee for a housing development.

(d) The cost of necessary studies, surveys, plans, and permits.

(e) The cost of insurance, interest and financing, tax and assessment costs, and other operating and carrying costs incurred during construction or rehabilitation.

(f) The cost of construction, rehabilitation, reconstruction and fixtures, medical facilities, furnishings, equipment, machinery, apparatus, and similar facilities and equipment related to the real property.

(g) The cost of land improvements, including, but not limited to, landscaping, site preparation and streets, sewers, utilities, and other offsite improvements, whether or not such costs are paid in cash or in a form other than cash.

(h) A reasonable profit and risk fee, as defined in regulations of the agency, in addition to job overhead to the general contractor and, if applicable, to a limited-dividend housing sponsor.

(i) An allowance established by the agency for working capital and for reasonable reserves set aside to defray unanticipated additional development costs.

(j) Necessary expenses incurred in connection with initial occupancy of a housing development, including reserves for any anticipated operating deficits to be incurred during the construction period and the initial year of occupancy.

(k) Repayment of a development loan.

(l) The cost of modifying a housing development or structure so that it is accessible to and convenient for the elderly or handicapped.

(m) The cost of such other items, including tenant and homeowner relocation and tenant and homeowner counseling, as the agency shall determine to be reasonable and necessary for the development of a housing development.

The statement of a specific cost item within this section shall in no way imply a requirement that the agency finance that item in making a loan on any housing development. Development costs shall not include any greater portion of the total cost of a housing development owned by a limited-dividend housing sponsor than is consistent with an equity investment sufficient to ensure a substantial and continuing interest by such sponsor in the housing development.

50066. "Development loan" means a loan, made prior to the granting of a construction loan, for planning, acquisition of land and improvements thereon, and site preparation for a housing development or residential structure. A development loan may include costs of architectural, engineering, legal and consulting services, the cost of necessary studies, surveys and governmental permits, and the cost of any other items that the agency deems reasonable and necessary for the initial preparation for construction or rehabilitation of a housing development or residential structure.

50067. "Elderly" means a family in which the head of the household is 60 years of age or older, a single person who is 60 years of age or older, or an elderly or handicapped household as defined in Section 19903 and subject to Part 4.5 (commencing with Section 19902) of Division 13. The age may be adjusted by the agency to facilitate participation in other municipal, state, or federal programs.

50068. "Financial interest" has the same meaning as specified in Section 87103 of the Government Code.

50068.5. "First-time home buyer" means a person who is a purchaser of an owner-occupied housing unit and who neither has, nor has had, a present ownership in a principal residence at any time during the three-year period prior to the date on which the mortgage pursuant to this division is executed, except that this limitation shall not apply to a purchaser of a principal residence in a targeted area.

50068.6. "First-Time Home Buyers Fund" is a fund in the General Fund, distinguished from the California Housing Finance Fund, which is created by Section 52504.

50068.7. "First-Time Home Buyers Policy Committee" or "policy committee" is the committee which performs certain policy functions and makes certain policy determinations pursuant to Part 6 (commencing with Section 52500), and which is established pursuant to Section 52502.

50069. "Fund" means the California Housing Finance Fund.

50070. "Governmental agency" means the United States of America, the State of California, any city, county, or city and county within this state and any department, division, public corporation, or public agency of this state or of the United States, or two or more of such entities acting jointly, or the duly constituted governing body of an Indian reservation or rancheria.

50071. "Guaranteed taxable bonds" means bonds secured by a pledge of the full faith and credit of the United States for the payment of the principal and interest on bonds issued under the authority of this division and on which the interest is not exempted from federal income taxes. Where the federal guarantees are for less than 75 percent of the liability, municipal, state, or private guarantees, bond insurance, or mortgage insurance shall be obtained in order that the amount of all such guarantees aggregate not less than 75 percent of the principal and interest on such bonds.

50072. "Handicapped" means a family in which the head of the household is suffering from an orthopedic disability impairing personal mobility or a physical disability affecting his or her ability to obtain employment or a single person with such a physical disability, where the family or person requires special care or facilities in the home. "Handicapped" also includes a family in which the head of household suffers from a developmental disability specified in subdivision (a) of Section 38010 or a mental disorder which would render him or her eligible to participate in programs of rehabilitation or social services conducted by or on behalf of a public agency, or a single person with such a developmental disability or mental disorder. "Handicapped" also includes an elderly or handicapped household, as defined in Section 19903 and subject to Part 4.5 (commencing with Section 19902) of Division 13.

50073. "Housing development", for the purpose of housing assisted by the department, means any work or undertaking of new construction or rehabilitation, or the acquisition of existing residential structures in good condition, for the provision of housing which is financed pursuant to the provisions of this division for the primary

purpose of providing decent, safe, and sanitary housing for persons and families of low or moderate income. "Housing development" also means housing financed pursuant to this part for rental occupancy of, for resale to, or sold to, persons and families of low or moderate income. Notwithstanding other provisions of this section, "housing development" does not include a work or undertaking financed by a neighborhood improvement loan. A housing development may include housing for other economic groups as part of an overall plan to develop new or rehabilitated communities or neighborhoods, where housing for persons and families of low or moderate income is a primary goal. A housing development may include any buildings, land, equipment, facilities, or other real or personal property which the agency determines pursuant to its rules and regulations to be necessary or convenient in connection with the provision of housing pursuant to this division, including, but not limited to, streets, sewers, utilities, parks, site preparation, landscaping, and other nonhousing facilities, such as administrative, community, health, recreational, educational, commercial facilities, and child-care facilities which the agency determines are an integral part of a housing development or developments.

"Housing development" includes the acquisition of a residential structure by a nonprofit housing sponsor, whether or not including rehabilitation, for the purpose of forming a limited-equity housing cooperative as defined in Section 33007.5.

50073.5. "Housing development," for the purpose of the California Housing Finance Agency, means any existing structure of five or more dwelling units or any work or undertaking of five dwelling units or more of new construction or rehabilitation for the provision of housing financed pursuant to the provisions of this division for the primary purpose of providing decent, safe, and sanitary housing for persons and families of low or moderate income. A housing development may include housing for other economic groups as part of an overall plan to develop new or rehabilitated communities or neighborhoods, where housing for persons and families of low or moderate income is a primary goal. A housing development may include any buildings, land, equipment, facilities, or other real or personal property which the agency determines pursuant to its rules and regulations to be necessary or convenient in connection with the provision of housing pursuant to this division, including, but not limited to, streets, sewers, utilities, parks, site preparation, landscaping, and other nonhousing facilities, such as administrative, community, health, recreational, educational, commercial facilities, and child-care facilities which the agency determines are an integral part of a housing development or developments.

50074. "Housing sponsor", for the purpose of housing assisted by the department, means any individual, joint venture, partnership, limited partnership, trust, corporation, limited equity housing cooperative, cooperative, local public entity, duly constituted governing body of an Indian reservation or rancheria, or other legal entity, or any combination thereof, certified by the agency pursuant to rules and regulations of the agency as qualified to either own, construct, acquire or rehabilitate a housing development, whether for profit, nonprofit, or organized for limited profit, and subject to the regulatory powers of the agency pursuant to rules and regulations of the agency and other terms and conditions set forth in this division. "Housing sponsor" includes persons and families of low or moderate income who are approved by the agency as eligible to own and occupy a housing development and individuals and legal entities receiving property improvement loans through the agency.

50074.5. "Housing sponsor," for the purpose of the California Housing Finance Agency, means any individual, joint venture, partnership, limited partnership, trust, corporation, cooperative, local public entity, duly constituted governing body of an Indian reservation or rancheria, or other legal entity, or any combination thereof, approved by the agency as qualified to either own, construct, acquire or rehabilitate a housing development, or a residential structure other than an owner-occupied single unit whether for profit, nonprofit, or limited profit.

50075. "Legislative body" means the city council, board of supervisors, or other legislative body of the local agency.

50076. "Limited-dividend housing sponsor" means any sponsor which owns a housing development and whose profit or cash return is limited pursuant to Section 51202 and regulations adopted by the board pursuant thereto.

50076.5. "Limited equity housing cooperative" means a corporation organized pursuant to Section 33007.5 of this code and Section 11003.4 of the Business and Professions Code. For purposes of this division, a limited equity housing cooperative is a nonprofit corporation or nonprofit housing sponsor. However, a limited equity housing cooperative shall not be deemed to be nonprofit for the purpose of Chapter 10 (commencing with Section 50775).

50076.6. "Loan," for purposes of provisions relating to the agency, means an obligation to repay funds advanced by the agency for the purpose of financing housing that is evidenced by a promissory note or other instrument in writing and that may or may not be secured by real or personal property.

50077. "Local agency" means a city, county, or city and county and includes any governmental agency or local public entity to which such city, county, or city and county may, after a public hearing, delegate functions under this division.

50078. "Local housing agent" means a city, county, city and county, or combination thereof acting jointly, or the duly constituted governing body of an Indian reservation or rancheria which is certified by the department pursuant to Section 51252 to review applications by prospective housing sponsors for loans made or assisted under this division for housing developments proposed within the territorial boundaries of the local housing agent.

50079. "Local public entity" means any county, city, city and county, the duly constituted governing body of an Indian reservation or rancheria, redevelopment agency organized pursuant to Part 1

(commencing with Section 33000) of Division 24, or housing authority organized pursuant to Part 2 (commencing with Section 34200) of Division 24, and also includes any state agency, public district or other political subdivision of the state, and any instrumentality thereof, which is authorized to engage in or assist in the development or operation of housing for persons and families of low or moderate income. "Local public entity" also includes two or more local public entities acting jointly.

50079.5. "Lower income households" means persons and families whose income does not exceed the qualifying limits for lower income families as established and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937. The limits shall be published by the department in the California Administrative Code as soon as possible after adoption by the Secretary of Housing and Urban Development. In the event such federal standards are discontinued, the department shall, by regulation, establish income limits for lower income households for all geographic areas of the state at 80 percent of area median income, adjusted for family size and revised annually. As used in this section, "area median income" means the median family income of a geographic area of the state.

50080. "Market interest" means the interest rate determined by the agency to be the interest rate generally available in the private market for similar housing loans.

50081. "Market rent" means the monthly rent established by the agency as competitive according to its own regulations, except where federal regulations provide a required method of determining market rent. Determination of market rent may be reviewed annually upon application by the mortgagor, subject to applicable federal regulations, if any.

50082. "Metropolitan area" means a standard metropolitan statistical area as established by the United States Office of Management and Budget.

50082.7. "Mobilehome park" shall have the same meaning as such term is defined in Section 18214.

50083. "Mortgage" means a mortgage, deed of trust, or other instrument that may be a lien on real property. "Mortgage" includes the note secured by such an instrument.

50084. "Mortgage deficient area" means an area where private lenders have failed to provide sufficient mortgage credit for financing or refinancing of new, existing, or rehabilitated housing developments, and such practices have caused or threaten to cause a decline in the condition or quality of the housing stock in the area.

50085. "Mortgage assistance area" means an area characterized by a deficiency of available mortgage financing but in which general deterioration of residential structures has not occurred, and which is designated by the agency pursuant to Section 51304.

50086. "Mortgage loan" means a loan that is secured by a mortgage and is made for financing, including refinancing of existing mortgage obligations as authorized by regulation of the agency, to create or preserve the long-term affordability of a housing development or a residential structure in the state, or a buy-down mortgage loan secured by a mortgage as authorized by regulation of the agency, of an owner-occupied unit in this state.

50087. "Mutual self-help housing" means assisted housing for which persons and families of low or moderate income contribute their own labor in individual or group efforts to provide decent, safe, and sanitary housing for themselves, their families, and others occupying the housing.

50089. "Neighborhood preservation area" means any concentrated rehabilitation area, scattered-site rehabilitation area, or mortgage assistance area.

50090. "Nonmetropolitan area" means an area not included in a metropolitan area.

50091. "Nonprofit housing sponsor" or "nonprofit corporation" means a nonprofit corporation incorporated pursuant to Division 2 (commencing with Section 5000) of Title 1 of the Corporations Code or a corporation or association which is, or will be qualified as, a cooperative housing corporation for purposes of subdivision (a) of Section 17265 of the Revenue and Taxation Code, a nonprofit student housing cooperative, or a limited equity housing cooperative and which is certified by the agency as qualified to own a housing development if financed or assisted by the agency. However, a limited equity housing cooperative shall not be deemed to be nonprofit for the purpose of Chapter 10 (commencing with Section 50775).

50092. "Owner-occupied housing development", for the purpose of housing assisted by the department, means a housing development containing not more than four residential units, one of which is occupied by the owner of the housing development.

50092.1. "Owner-occupied housing unit", for the purpose of Part 6 (commencing with Section 52500), means a single-family dwelling situated in California which is occupied by the owner, and includes a dwelling unit in a stock cooperative, as defined by Section 11003.2 of the Business and Professions Code, a community apartment project,

as defined by Section 11004 of the Business and Professions Code, or a condominium project, as defined by subdivision (c) of Section 11004. 5 of the Business and Professions Code.

50093. "Persons and families of low or moderate income" means persons and families whose income does not exceed 120 percent of area median income, adjusted for family size by the department in accordance with adjustment factors adopted and amended from time to time by the United States Department of Housing and Urban Development pursuant to Section 8 of the United States Housing Act of 1937. However, the agency and the department jointly, or either acting with the concurrence of the Secretary of the Business and Transportation Agency, may permit the agency to use higher income limitations in designated geographic areas of the state, upon a determination that 120 percent of the median income in the particular geographic area is too low to qualify a substantial number of persons and families of low or moderate income who can afford rental or home purchase of housing financed pursuant to Part 3 (commencing with Section 50900) without subsidy.

"Persons and families of low or moderate income" includes very low income households, as defined in Section 50105 and lower income households as defined in Section 50079.5, and includes persons and families of low income, persons and families of moderate income, and middle-income families. As used in this division:

(a) "Persons and families of low income" or "persons of low income" means persons or families who are eligible for financial assistance specifically provided by a governmental agency for the benefit of occupants of housing financed pursuant to this division.

(b) "Persons and families of moderate income" or "middle-income families" means persons and families of low or moderate income whose income exceeds the income limit for lower income households.

(c) "Persons and families of median income" means persons and families whose income does not exceed the area median income, as adjusted by the department for family size in accordance with adjustment factors adopted and amended from time to time by the United States Department of Housing and Urban Development pursuant to Section 8 of the United States Housing Act of 1937.

As used in this section, "area median income" means the median family income of a geographic area of the state, as annually estimated by the United States Department of Housing and Urban Development pursuant to Section 8 of the United States Housing Act of 1937. In the event these federal determinations of area median income are discontinued, the department shall establish and publish as regulations income limits for persons and families of median income for all geographic areas of the state at 100 percent of area median income, and for persons and families of low or moderate income for all geographic areas of the state at 120 percent of area median income. These income limits shall be adjusted for family size and shall be revised annually.

For purposes of this section, the department shall file, with the Office of Administrative Law, any changes in area median income and income limits determined by the United States Department of Housing and Urban Development, together with any consequent changes in other derivative income limits determined by the department pursuant to this section. These filings shall not be subject to Article 5 (commencing with Section 11346) or Article 6 (commencing with Section 11349) of Chapter 3.5 of Part 1 of Division 3 of Title 2 of the Government Code, but shall be effective upon filing with the Office of Administrative Law and shall be published as soon as possible in the California Regulatory Code Supplement and the California Code of Regulations.

The department shall establish and publish a general definition of income, including inclusions, exclusions, and allowances, for

qualifying persons under the income limits of this section and Sections 50079.5 and 50105, to be used where no other federal or state definitions of income apply. This definition need not be established by regulation.

Nothing in this division shall prevent the agency or the department from adopting separate family size adjustment factors or programmatic definitions of income to qualify households, persons, and families for programs of the agency or department, as the case may be.

50093.5. "Public transit corridor" means that area within one-quarter mile of a route on which the level of service is at or above the average for the transit system as a whole, according to the transit operator serving the area, and on which regularly scheduled public mass transit service stops are located, or within one-quarter mile of an existing or planned public mass transit guideway or busway station, or within one-quarter mile of a multimodal transportation terminal serving public mass transit operations. "Level of service," unless otherwise defined by the transit operator, means the frequency of headways and the number of vehicles per day.

50093.6. "Property improvement loan" means an advance of money, evidenced by a note, to finance rehabilitation and general repairs and improvements to a residence consistent with the purposes of this division. A property improvement loan may, but need not be, secured by a deed of trust. However, a property improvement loan made outside a neighborhood preservation area shall be unsecured and shall not exceed fifteen thousand dollars (\$15,000).

50094. (a) Except as otherwise provided in subdivision (b), "qualified mortgage lender" means a mortgage lender certified by the agency, pursuant to rules and regulations thereof, to do business with the agency or a housing authority certified by the agency as capable of financing the construction or rehabilitation of residential structures.

(b) "Qualified mortgage lender", as used in Part 6 (commencing with Section 52500), means a mortgage lender certified by the policy committee, pursuant to agency rules and regulations adopted by the policy committee, to do business with the agency as capable of financing the construction or purchase of dwellings.

(c) A qualified mortgage lender, as defined in subdivision (a) or (b), may be a bank or trust company, mortgage banker, federal- or state-chartered savings and loan association, service corporation, or other financial institution or governmental agency which is deemed capable of providing service or otherwise aiding in the financing of construction loans and mortgage loans, and nothing in any other provisions of state law shall prevent such a lender or governmental agency from serving as a qualified mortgage lender under this division. A "qualified mortgage lender" that is determined by the agency to have violated state law of the terms of any agreement with the agency shall be promptly decertified.

50095. "Real property" means all lands, including improvements and fixtures thereon, and property of any nature appurtenant thereto or used in connection therewith, and every estate, interest, and right, legal or equitable, therein, including leaseholds, terms of years,

and liens by way of judgment, mortgage, or otherwise.

50096. "Rehabilitation" means repairs and improvements to a substandard residential structure necessary to make it meet rehabilitation standards. As used in this section, "substandard residential structure" has the same meaning as the term "substandard building," as defined in subdivision (f) of Section 17920.

50097. "Rehabilitation standards" means applicable state or local building or housing standards adopted pursuant to the State Housing Law, Part 1.5 (commencing with Section 17910) of Division 13, or continued in effect pursuant thereto.

For the purposes of Chapter 6.5 (commencing with Section 50660) of Part 2, "rehabilitation standards" (a) includes room additions necessary to prevent overcrowding of low-income or moderate-income households and (b) additionally, includes changes in grade, drainage facilities, or other improvements related to flood control and required by local ordinance or regulation as a condition to continued operation of a mobilehome park applying for or receiving a loan pursuant to Section 50662.2.

50098. "Rents" means the charges paid by the persons and families of low or moderate income for occupancy in a housing development assisted under this division whether the units are rented or operated as a cooperative.

50099. "Residential structure", for the purpose of housing assisted by the department, means a real property improvement used, or intended to be used, for residential or mixed residential and commercial purposes, or for commercial purposes if, in the judgment of the department, it is an integral part of a residential neighborhood.

50099.5. "Residential structure," for the purpose of the California Housing Finance Agency, means any existing structure of one to four units or any work or undertaking of one to four dwelling units of new construction or rehabilitation for the provision of housing financed pursuant to the provisions of this division for the primary purpose of providing decent, safe, and sanitary housing for persons and families of low or moderate income. "Residential structure" may include any buildings, land, equipment, facilities, or other real or personal property which the agency determines to be necessary or convenient in connection with the provision of housing pursuant to this division, and including, but not limited to, streets, sewers, utilities, parks, site preparation, landscaping, and other nonhousing facilities including, but not limited to, administrative, community, health, recreational, educational, commercial, and child care facilities which the agency determines are an integral part of a residential neighborhood.

50100. "Rules", "regulations", or "rules and regulations" mean regulations as defined in Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. All regulations of the department and agency shall be subject to such

provisions.

50101. "Rural area" means any open country or any place, town, village, or city which by itself and taken together with any other places, towns, villages, or cities that it is part of or associated with: (a) has a population not exceeding 10,000; or (b) has a population not exceeding 20,000 and is contained within a nonmetropolitan area. "Rural area" additionally includes any open country, place, town, village, or city located within a Standard Metropolitan Statistical Area if the population thereof does not exceed 20,000 and the area is not part of, or associated with, an urban area and is rural in character. This definition may be changed by the department or the agency, as the case may be, to conform to changes in federal programs.

50102. "Rural mortgage area" means an area outside any city, metropolitan area or urban county, as such terms are defined by Section 102 of the Housing and Community Development Act of 1974 (P.L. 93-383).

50103.5. "Statistical area" means an area established by action of the policy committee for purposes of determining the maximum acquisition costs for an owner-occupied housing unit to be financed pursuant to Part 6 (commencing with Section 52500). Such areas shall be any one of the following:

- (a) A metropolitan area.
- (b) A county which is not within a metropolitan area.
- (c) A grouping of counties as determined by the policy committee, which are not within a metropolitan area, if insufficient recent statistical data exists for the purposes of this division for any county within such grouping.

50104. "Subsidy" means any financial assistance specifically provided by a governmental agency for the benefit of persons and families of low or moderate income, which is paid to an occupant of housing financed pursuant to this part for housing costs or which reduces such occupant's housing costs. "Subsidy" shall not include any benefit resulting from a loan made by the agency nor any benefit derived from the abatement of taxes levied by the state or a political subdivision thereof.

50104.5. "Systematic enforcement" means the enforcement of rehabilitation standards in accordance with a systematic program of making inspections of dwelling structures in accordance with objective criteria for selection or order of selection of dwelling structures to be inspected. Systematic enforcement may be limited to rental or multifamily dwellings. It does not refer to a policy of responding only to complaints and requests for inspections. It does not include inspections where violations are not cited. It does not include the concentrated enforcement of rehabilitation standards in a designated geographic area within the jurisdiction.

50104.6. "Targeted area", for the purposes of Part 6 (commencing

with Section 52500), means a census tract as designated by the United States Secretary of Commerce, in which 70 percent or more of the families have an income which is 80 percent or less of the statewide median family income, or is an area of economic distress as determined by the policy committee based on the criteria for establishing such areas contained in the second Section 6a. 103A-1 (b) (3) of Title 26 of the Code of Federal Regulations (See 46 FR 4315, dated July 1, 1981).

50104.7. "Urban area" means any portion of a county or the state which is not a rural area.

50105. "Very low income households" means persons and families whose incomes do not exceed the qualifying limits for very low income families as established and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937. Such limits shall be published by the department in the California Administrative Code as soon as possible after adoption by the Secretary of Housing and Urban Development. In the event such federal standards are discontinued, the department shall, by regulation, establish income limits for very low income households for all geographic areas of the state at 50 percent of area median income, adjusted for family size and revised annually. As used in this section, "area median income" means the median family income of a geographic area of the state.

**HOUSING ELEMENT
APPENDIX C**

Public Participation Process

TECHNICAL APPENDIX C

PUBLIC PARTICIPATION PROCESS

In developing the Housing Element for the FY1999 - FY 2004 cycle, the Planning and Development Review Department sought the participation of all economic segments of the community to assure that their housing needs would be addressed. In early 1998, the proposed Housing Element outline and work program were reviewed and discussed with SANDAG, the Housing Commission, the Community Planners Committee (CPC) and the City Council's Land Use and Housing Committee.

The Planning and Development Review Department coordinated with other City departments and SANDAG in calculating existing and projected housing needs and in determining policies, programs, and objectives.

In mid-1998, the Department established an informal committee, called the "Housing Element Working Group" It consisted of representatives of a wide variety of housing related interests including representatives of affordable housing advocates, the building industry, the real estate industry, the not-for-profit sector, representatives from the disabled and homeless communities, the Housing Commission and other City staff.

The Committee met every other week from August through early December, 1998 to provide input on each chapter and section. Many helpful comments and suggestions were received and incorporated into the Element which improved not only the technical quality of it, but also made it more responsive to a broad variety of housing needs and to community concerns.

A first draft was completed in December, 1998 and submitted to the City's Environmental Analysis staff by January, 1999. Copies of the draft were also distributed to members of the Housing Element Working Group.

Three hearings and a workshop were held with the City's Planning Commission to allow thorough review and discussion. Out of this process emerged a resolution to the City Council recommending that a number of policies and programs be added to the Housing Element. This resolution was adopted by the City Council when it authorized submittal of the Housing Element to the State Department of Housing and Community Development for review.

**HOUSING ELEMENT
APPENDIX D**

Inventory of “At-Risk” Affordable Units

Appendix D

Inventory and Cost Analysis of "At-Risk" Affordable Units

Appendix D contains an inventory and comparative analysis of the costs involved in replacing units at risk of conversion from affordable housing to market rents during both the Group 1, FY 2000 through FY 2004, and Group 2, FY 2005 through FY 2009 analysis periods. The Analysis calculates the cost to replace, through new construction or acquisition and rehab, the same at-risk units in comparable size and rent levels. San Diego Housing Commission staff used most current development, acquisition and rehabilitation costs in the analysis.

The purpose of this analysis is to compare the cost of options available to the jurisdiction when faced with a potential conversion problem, and to determine the level of local subsidies required to assist in preservation efforts. The cost analysis will enable the City to use a "bottom line" approach as programs are developed and available resources targeted to preserve units at risk of conversion.

A total of **3,822** affordable units are eligible to convert to market rate rents during the FY 2000 through FY 2004 reporting period. Most of these units are at risk due to options available to current owners to prepay existing federal mortgages. Estimates indicate that it would cost the City over **\$380 million** to replace those units through new construction and over **\$201 million** to replace those units through acquisition and rehabilitation. Estimated acquisition costs factored in possible rehab cost to bring units up to health and safety standards or to remove asbestos and lead-based paint hazards. It should be noted that **1,853** units are in projects owned by nonprofits, and although eligible for conversion, those projects are generally regarded as being at low-risk for conversion to market rate housing. The City will monitor those nonprofit projects, but anticipate that any preservation opportunities will come from for-profit owned projects.

A total of **368** affordable units are eligible to convert to market rate rents during the **FY 2005 through FY 2009** reporting period. Most of these units are at risk due to the expiration of Multifamily Bond financing. Estimates indicate that it would cost the locality nearly **\$36 million** to replace those units through new construction and nearly **\$19 million** to replace those units through acquisition and rehabilitation.

The City is at risk of losing a total of **4,190** affordable units from its affordable housing stock, from **FY 2000 through FY 2009**, due to the prepayment of subsidized mortgages and the expiration of affordability restrictions. Most of these units are at risk due to options available to current owners to prepay existing federal mortgages, or the expiration of multifamily bonds. Estimates indicate that it would cost the locality nearly **\$422 million** to replace those units through new construction

and over **\$222 million** to replace those units through acquisition and rehabilitation. Owners of multifamily bond projects may agree to amend existing bond documents to extend the terms of affordability, at no cost to the jurisdiction.

Localities can anticipate limited Federal and State assistance in preserving the affordability of these units. Therefore, the need for local assistance is much greater in this instance. Faced with greater preservation costs, replacement of lost units through acquisition and rehabilitation appears to be the most cost effective option.

The cost analysis makes clear the need for access to all available financial resources in order to prevent the loss of at-risk units. Moreover, the analysis also makes clear the need to work with organizational resources to achieve preservation targets. Reliance on local or even state or federal financing programs alone is not sufficient to assure preservation, given the extensiveness of the conversion problem.

There has been such a variety of financing and subsidy programs used to build affordable housing in the past, that existing state and federal financing or incentive preservation programs do not address the possible conversion of many nonfederal financed housing projects, such as density bonus units. Finally, long-term preservation is not guaranteed without enlisting the active support and participation of tenants and local nonprofit agencies willing to acquire and maintain at-risk units as permanently affordable housing.

Total Local Sources

The City will consider the use of those local funds listed below to support the preservation or replacement of its at risk units:

POTENTIAL SOURCES	FY 00	FY 01	FY 02	FY 03	FY 04
CDBG	\$18M	\$18M	\$18M	\$18M	\$18M
HOME	7M	7M	7M	7M	7M
Housing Trust Fund	3M	3M	3M	3M	3M
Housing Commission	1M	1M	1M	1M	1M
Redevelopment Set Aside	3M	3M	3M	3M	3M
TOTAL	\$32M	\$32M	\$32M	\$32M	\$32M
GRAND TOTAL \$160 Million					

As can be seen, the City has, at its discretion, sufficient funds to preserve all affordable units at

risk through FY04. It must be noted, however, that a significant portion of those funding sources are currently used to support ongoing affordable housing and community development activities, and to support the wide range of activities which comprise this City's multi-faceted affordable housing strategy.

Allocation of all funds from these sources to support preservation activities would deprive other affordable housing and community development activities of sufficient support to guarantee their continuation or the successful implementation of new activities in these areas. Therefore, while the City will consider the use of these funds for preservation of at risk units, it is highly unlikely that all such funds will be used for this purpose.

PRESERVATION OBJECTIVE

The U.S. Department of Housing and Urban Development (HUD), working with the City of San Diego, will take the following steps to protect the low and very low-income households of those projects:

- Unassisted low and very low-income households residing in those federal mortgaged projects may be eligible for Preservation Section 8 vouchers. HUD will provide vouchers subject to availability of federal funds.
- A household living in a Section 8 project based assisted unit under an existing Housing Assistance Payments (HAP) Contract may continue to reside in the project until the contract expires. The resident will receive a Section 8 voucher when the HAP contract expires.

The 1997 Federal Appropriations Act also provided Section 8 assistance to prevent displacement, and expand the scope of eligibility to include all low-income families, and moderate-income families who are elderly or disabled or families who are residing in a low-vacancy area (3 percent or less vacancies). All recipients must reside in the housing on the date of prepayment. The San Diego HUD Office will work with the property owners and the San Diego Housing Commission to ensure that the above steps for protecting the residents are implemented.

If current owners do not wish to retain those units as affordable, the City may provide assistance to private non-profit or for-profit entities interested in purchasing and managing those projects as affordable housing. In the event that no interested and capable private entities are available to assume control of those

at-risk units, the City, through its Housing Commission, can pursue ownership and management of those units for which retention as affordable dwellings is considered important in meeting the housing needs of lower income residents. The City will utilize this flexible approach to retain as many units as financially feasible in its affordable housing stock.

Given the level of local, state and federal financing anticipated to be available, during the Group 1 analysis period, **the preservation objective during this period is 400 units**, or approximately 10 percent of the total number of assisted units eligible to convert to market rate housing.

Sorted by Expiration Date of Mortgage Affordability Restrictions (Pre-Pay), or Section 8 Contracts Renewals (Opt-Out)

Project			Fed / State / Local	Expiration Dates		Units		Contract Units - Bedrooms				
Name	Address	N 1	Programs	Pre-Pay	Opt-Out 2	Total	Assisted	0	1	2	3	4
1: Projects owned by Non-Profit Organizations, and altho												
2: Contains projects which												
Group 1 Projects: July 1, 199												
Euclid Avenue Apts	4115 Euclid Avenue	N	236(j)(1)	08/01/90	05/31/99	12	12	0	3	5	4	0
Westminster Manor	1730 Third Avenue	N	236(j)(1)/202 Eld. Hsg.	02/01/92	06/30/99	156	51	35	16	0	0	0
Grant Heights Park	2663 J Street		236(j)(1)	04/01/93	06/30/99	28	23	0	5	18	0	0
Grace Tower	3955 Park Blvd	N	202 (Elderly)	06/30/98	06/30/99	169	20	5	15	0	0	0
Trinity Manor	3940 Park Blvd	N	202 (Elderly)	01/01/00	12/09/99	100	100	0	99	1	0	0
Cathedral Arms	3911 Park Blvd	N	236(j)(1)/202 Eld. Hsg.	08/01/92	05/31/00	207	82	79	3	0	0	0
Wesley Terrace	5343 Monroe Avenue	N	236(j)(1)/202 Eld. Hsg.	07/01/93	05/31/00	160	119	41	2	0	0	0
Cathedral Plaza	1551 Third Avenue	N	236(j)(1)	03/01/96	05/31/00	222	84	54	30	0	0	0
Luther Tower	1455 Second Avenue	N	202 (Elderly)		05/31/00	198	32	22	10	0	0	0
Green Manor	4041 Ibis Street	N	202 (Elderly)		05/31/00	152	125	85	40	0	0	0
Bay Vista Methodist Hgts	4888 Logan Avenue	N	223(c)/221 (d) (3)	01/01/91	05/31/00	268	268	0	0	100	168	0
Lakeshore Villa	6888 Golfcrest Drive		221(d)(4) Mkt. Rate	11/01/98	06/04/00	126	125	0	125	0	0	0
Imperial Villa Apts	620 67th Street		236(j)(1)	06/01/95	06/30/00	38	37	0	12	18	7	0
Sorrento Tower	2875 Cowley Way	N	236(j)(1)/202 Eld. Hsg.	02/01/97	06/30/00	198	165	130	35	0	0	0
Penasquitos Village	10955 Carmel Mt Road		221(d)(3) BMIR	05/01/90	07/31/00	332	213	0	62	151	0	0
Delta Arms	4245 Delta Street	N	236(j)(1)	12/01/92	07/31/00	22	21	0	6	10	5	0
Pres. John Adams III	3829 Marlborough Avenue		236(j)(1)	08/01/92	09/30/00	19	19	0	19	0	0	0
Logan Square Gardens	4742 Solola Avenue		236(j)(1)	01/01/93	09/30/00	170	144	0	47	76	21	0
San Diego Square	1055 9th Avenue	N	202 (Elderly)	02/01/01	10/26/00	154	154	0	154	0	0	0
Casa Colina	5207 52nd Place		221(d)(4) Mkt. Rate	01/01/99	02/28/01	75	74	0	74	0	0	0
Horton House	333 G Street	N	221(d)(3) Mkt. Rate	08/01/01	04/26/01	150	150	49	101	0	0	0
Lions Community Manor	310 Market Street	N	202 (Elderly)	04/01/02	09/30/01	129	129	0	129	0	0	0
Cerro Pueblo	2835 Clairmont Drive		221(d)(4) Mkt. Rate	06/01/03	11/10/01	46	46	0	46	0	0	0
Villa Merced	1148 Beyer Way	N	202 (Elderly)	08/01/02	01/14/02	100	100	0	100	0	0	0
Big Sister Residency	3360 4th Avenue	N	811 Disabled		07/31/02	15	15	0	0	0	0	0
Guadalupe Plaza	4142 42nd Street	N	202 (Elderly)	09/01/03	11/30/02	126	126	0	126	0	0	0
Mariners Cove Apts	4392 W. Point Loma Blvd	N	221(d)(4) Mkt. Rate	08/01/95	03/22/04	500	100	0	24	68	8	0
Eldorado Hills	3828 Pendient Court		Multi-Family Bonds	05/23/94		448	90	0	26	32	32	0
50th Street Apts	4216 50th Street		Multi-Family Bonds	03/03/95		12	3	1	2	0	0	0
Foxwood	4260 Palm Avenue		Multi-Family Bonds	05/31/95		131	27	0	13	14	0	0

Sorted by Expiration Date of Mortgage Affordability Restrictions (Pre-Pay), or Section 8 Contracts Renewals (Opt-Out)

Project			Fed / State / Local	Expiration Dates		Units		Contract Units - Bedrooms				
Name	Address	N 1	Programs	Pre-Pay	Opt-Out 2	Total	Assisted	0	1	2	3	4
Azalea Gardens	3777 Herman Avenue		Multi-Family Bonds	09/01/95		55	11	0	11	0	0	0
Alabama Manor	3828 Alabama Avenue		Multi-Family Bonds	09/01/95		68	14	1	12	1	0	0
Sante Fe Place	4353 34th Street		Multi-Family Bonds	09/01/95		39	8	0	8	0	0	0
Sante Fe Manor	3835 Swift Avenue		Multi-Family Bonds	10/14/95		50	10	0	10	0	0	0
Bernardo Hills	15265 Naturin drive		Multi-Family Bonds	07/26/97		248	50	0	31	19	0	0
Walsh Apts	4025 Parkhaven Court		Multi-Family Bonds	09/30/97		40	8	0	0	8	0	0
Parkhaven III	241 Willow Road		Multi-Family Bonds	12/31/97		96	20	0	10	0	8	2
La Serena	15639 Avenida Alcachofa		Multi-Family Bonds	01/27/99		175	35	0	18	17	0	0
La Jolla Point	7939 Avenida Navidad		Multi-Family Bonds	11/13/00		328	66	0	21	45	0	0
Coral Pointe	3945 Nobel Drive		Multi-Family Bonds	12/20/01		368	74	8	37	29	0	0
Paseo Point	10024 Paseo Montril		Multi-Family Bonds	02/14/02		250	50	0	37	13	0	0
Nobel Court	3707 Nobel Drive		Multi-Family Bonds	03/21/03		685	137	0	110	27	0	0
La Cima	7503 Charmant Drive		Multi-Family Bonds	10/28/03		514	103	0	75	28	0	0
	3722 Logan Avenue		MOD Rehab		02/04/96	7	7	0	0	7	0	0
	4737 Guymon Street		MOD Rehab		03/06/96	4	4	0	0	0	0	4
	2150 Kearney Avenue		MOD Rehab		09/01/96	2	2	0	1	1	0	0
	620 Denby Street		MOD Rehab		09/01/96	2	2	0	0	2	0	0
	901 29th Street, South		MOD Rehab		11/01/96	4	4	0	0	4	0	0
	273 Francis Street, N.		MOD Rehab		12/01/96	7	7	0	0	7	0	0
	8155 Helm Street		MOD Rehab		01/31/97	2	2	0	0	1	1	0
	3025 L Street		MOD Rehab		02/01/97	2	2	0	2	0	0	0
	351 33rd Street, South		MOD Rehab		02/01/97	6	6	0	6	0	0	0
	2956 L Street		MOD Rehab		04/01/97	2	2	0	2	0	0	0
	401 Aurora Street		MOD Rehab		04/01/97	12	12	0	0	12	0	0
	3581 Van Dyke Avenue		MOD Rehab		05/01/97	4	4	0	2	2	0	0
	614 Bancroft Street, S.		MOD Rehab		05/01/97	4	4	0	0	4	0	0
	628 Bancroft Street		MOD Rehab		05/01/97	5	5	0	0	5	0	0
	3027 Greely Avenue		MOD Rehab		06/01/97	2	2	0	0	1	1	0
Robert S Vermilya	345 44th Street		Sect 8		07/31/97	2	2	0	0	0	2	0
	2832 K Street		MOD Rehab		11/01/97	2	2	0	0	1	1	0
	720 Gregory Street, South		MOD Rehab		11/01/97	3	3	0	0	3	0	0
	5418 Roswell Street		MOD Rehab		07/12/98	2	2	0	0	2	0	0
	2816 Imperial Avenue		MOD Rehab		07/27/98	2	2	0	0	2	0	0
	2705 Clay Avenue		MOD Rehab		08/04/98	4	4	0	2	0	2	0
	744 46th Street, South		MOD Rehab		08/08/98	3	3	0	0	3	0	0
	4566 Oregon Street		MOD Rehab		11/30/98	6	6	0	6	0	0	0
	1350 47th Street, North		MOD Rehab		12/31/98	50	50	0	20	30	0	0

Sorted by Expiration Date of Mortgage Affordability Restrictions (Pre-Pay), or Section 8 Contracts Renewals (Opt-Out)

[illegible]

Sorted by Expiration Date of Mortgage Affordability Restrictions (Pre-Pay), or Section 8 Contracts Renewals (Opt-Out)

Project			Fed / State / Local	Expiration Dates		Units		Contract Units - Bedrooms				
Name	Address	N 1	Programs	Pre-Pay	Opt-Out 2	Total	Assisted	0	1	2	3	4
University Canyon N.	2098 Via Las Cumbres	N	221(d)(4) Mkt. Rate	02/01/05	07/05/04	120	120	0	30	82	8	0
Shirley Heights	5536 Amanda Street				07/16/09	34	34	0	0	0	0	34
Summerset Village	11102 Caminito Alvarez		Multi-Family Bonds	02/27/08		752	151	37	36	78	0	0
Las Flores	7039 Charmant Drive		Multi-Family Bonds	06/01/08		312	63	0	41	22	0	0
Group 2 Total:						1,218	368	37	107	182	8	34
Total Group 1 & 2:						9,179	4,190	589	1,911	1,182	364	53
COST ANALYSIS:												
Total New Construction Costs			\$380,047,000			3,822	37,536,000	164,164,000	121,000,000	53,756,000	3,591,000	
Total Acquisition & Rehab Co			\$201,079,000			3,822	22,632,000	90,200,000	61,000,000	25,632,000	1,615,000	
Total New Construction Costs			\$41,909,000			368	2,516,000	9,737,000	22,022,000	1,208,000	6,426,000	
Total Acquisition & Rehab Co			\$21,435,000			368	1,517,000	5,350,000	11,102,000	576,000	2,890,000	
Total New Construction Costs			\$421,956,000			4,190	40,052,000	173,901,000	143,022,000	54,964,000	10,017,000	
Total Acquisition & Rehab Co			\$222,514,000			4,190	24,149,000	95,550,000	72,102,000	26,208,000	4,505,000	

HOUSING ELEMENT APPENDIX E

Evaluation of Previous Housing Element

EVALUATION OF PREVIOUS HOUSING ELEMENT

Goals and Objectives in 1991 Housing Element for July 1991-July 1998	Progress- July, 1991-June, 1999	Analysis	Changes
<u>IA. PROVISION OF AN ADEQUATE SITE INVENTORY</u>			
Establish development monitoring system as part of Process 2000	System has not been established due to difficulty of designing a system that satisfies all monitoring needs..	A development monitoring system remains a high priority and should be in place during year 2000.	Retain goal and continue efforts to create monitoring system
Complete 3-5 rezonings per year to implement Single-Family Protection Program	This program has been completed. All necessary rezonings have been completed.	This program has been eliminated. Further downzonings will limit City's ability to meet its housing needs	Program has been eliminated.

EVALUATION OF PREVIOUS HOUSING ELEMENT

Goals and Objectives in 1991 Housing Element for July 1991-July 1998	Progress- July, 1991-June, 1999	Analysis	Changes
<p>Complete 2-3 community plan updates and revitalization plans per year. These will identify areas for housing development</p>	<p>Approximately 13 community plan updates and 8 revitalization action plans were completed during reporting period.</p>	<p>In future, community plan updates will be done where the land use plan is out of date. Where plan is adequate, emphasis will be on action programs to implement community priorities beyond land use.</p>	<p>Retain objective of 2-3 plan updates and action plans annually. Future community planning activity will emphasize action plans. The word "revitalization" will be removed .</p>

EVALUATION OF PREVIOUS HOUSING ELEMENT

Goals and Objectives in 1991 Housing Element for July 1991-July 1998	Progress- July, 1991-June, 1999	Analysis	Changes
<u>IB. NEW CONSTRUCTION</u>			
Provide 80 affordable housing units through use of Density Bonus Program. 60 for low income and 20 for very low income	10 units completed	<p>(1) Recessionary economic conditions dampened market for multi-family construction.</p> <p>(2) Housing Commission adopted policy of emphasizing acquisition of existing housing over new construction</p> <p>(3) Resistance of communities to higher densities reduced developer interest as well</p>	<p>Increase objective to 100 units, of which 70 would be low income and 30 very low income</p> <p>Over 200 density bonus units are currently planned. Though many likely will not be completed until after 2004, some may come on line prior to that date.</p> <p>Additionally, the City is legally obligated to amend its density bonus program by April, 1999 to comply with state law</p>
Adopt Density Bonus Amendment during FY 96	Amendment adopted on June 1, 1999	City was legally obligated to amend density bonus program by June 1, 1999.	
Use tax credits and bonds to provide 280 new lower-income housing units	bonds used for 1146 units and tax credits for 465 units	Most of this assistance occurred during FY 96 and 97 when economic conditions improved	<p>Bonds - 500 units</p> <p>9% tax credits - 100 units</p>

EVALUATION OF PREVIOUS HOUSING ELEMENT

Goals and Objectives in 1991 Housing Element for July 1991-July 1998	Progress- July, 1991-June, 1999	Analysis	Changes
Provide 42 units of replacement housing affordable for at least 5 years to low and moderate income households in the Coastal Zone	No replacement units provided in Coastal Zone. Several proposed projects did not complete the permit approval process. Hence, replacement requirement never triggered.	Previous objective was unrealistic in view of recessionary economy. Reduce objective to reflect a realistic number. Strong economy should create opportunities for upscale coastal projects that may involve replacement units.	Provide 20 units of replacement housing
Construct or acquire 550 public housing units	324 units provided	Funding for new public housing has been eliminated by Congress.	Eliminate objective.
Provide 1,000 additional housing units in Single Room Occupancy Hotels	Goal met, 1,015 SRO units added	Redevelopment strategy for downtown is emphasizing other forms of housing for low and very low-income households. Developers have not been successful in developing SRO's beyond downtown, despite efforts.	Reduce goal to 200
Construct or acquire 375 units of housing for the elderly and disabled through the Section 202,801 and 811 programs	246 units provided	Assume same level of production as previous housing element cycle. 5 year cycle at same rate equates to 250	Change objective to 250 units

EVALUATION OF PREVIOUS HOUSING ELEMENT

Goals and Objectives in 1991 Housing Element for July 1991-July 1998	Progress- July, 1991-June, 1999	Analysis	Changes
Provide 1,700 additional military housing units	Military housing increased within San Diego city limits from 11/90 to 4/98 was 1,234 units bringing total to 7,041 units. Adjacent areas added 1,114 units bringing area total to 8,928 units	The goal of 1,700 units was for the San Diego area. This goal was exceeded--2,348 additional units were provided in the area.	Add 1,000 additional military family housing units. Assumes that the military can attract private sector development, per DOD intent

EVALUATION OF PREVIOUS HOUSING ELEMENT

Goals and Objectives in 1991 Housing Element for July 1991-July 1998	Progress- July, 1991-June, 1999	Analysis	Changes
Provide 1365 additional student housing units (beds)	1180 spaces/ beds added	<p>Goal included:</p> <ul style="list-style-type: none"> (1) 600 bed spaces by UCSD, in 1993. (2) 600 bed spaces by SDSU, in 1991, but only 580 were added. (3) Point Loma Nazarene did not add the projected 65 additional bed spaces. (4) USD did not add projected 75-100 beds (5) Other Universities did not report any bed space additions for 1991-1998. 	<p>Increase objective to add approximately 3,000 - 5,000 student housing beds, based on plans of local universities.</p> <ul style="list-style-type: none"> (1) SDSU Redevelopment Plan is projecting approximately 1,600-3,300 bed spaces between 1999-2004. (2) Point Loma Nazarene plans to add 50 bed spaces in next couple years.. (3) UCSD plans to have 1,200 additional bed spaces by 2002 with a possible additional 200 spaces for married/grad students as well. (4) USIU projects that a possible 200-300 bed spaces may be added by 2002.

EVALUATION OF PREVIOUS HOUSING ELEMENT

Goals and Objectives in 1991 Housing Element for July 1991-July 1998	Progress- July, 1991-June, 1999	Analysis	Changes
Add or enable resident acquisition of 200 mobile home park spaces	no spaces added or acquired	High land costs make new mobile home parks economically infeasible. Although Housing Commission has tried to facilitate resident ownership of a couple of mobile home parks, it has not yet happened.	Retain objective of adding 200 additional spaces through not-for-profit efforts.
Provide design requirements to facilitate manufactured housing in Zoning Code Update	Zoning Code Update includes provision and design requirements for manufactured homes	This has been accomplished.	Remove objective since it was accomplished.

EVALUATION OF PREVIOUS HOUSING ELEMENT

Goals and Objectives in 1991 Housing Element for July 1991-July 1998	Progress- July, 1991-June, 1999	Analysis	Changes
Provide 100 units of farm worker housing	3 units provided	<p>The provision of 100 farm worker housing units was based on the City partnering with farmers and growers. The City would provide appropriate incentives to make this housing economically feasible. Once the incentives were in place, the City would negotiate specific provisions for farm worker housing into leasehold agreements in San Pasqual Valley as they come up for renewal.</p> <p>This has not happened for several reasons:</p> <ul style="list-style-type: none"> (1) Farmers and growers have little incentive to provide housing since there is a labor supply readily available without such housing. (2) Most farmers and growers have only a few permanent employees; others are hired seasonally as needed. (3) The amount of land devoted to agricultural uses in San Diego will decrease with continued anticipated development. 	Change goal to emphasize continued rehabilitation of city-owned units in San Pasqual Valley.

EVALUATION OF PREVIOUS HOUSING ELEMENT

Goals and Objectives in 1991 Housing Element for July 1991-July 1998	Progress- July, 1991-June, 1999	Analysis	Changes
Provide 600 emergency shelter beds for the homeless	207 beds available in 1998	Reduction reflects both federal and local policy to emphasize transitional housing over emergency shelter facilities. Put greater emphasis on additional short term beds for next housing element cycle.	Change objective to addition of 1,000 "short term" shelter beds. "Short-term" includes emergency shelter beds plus short-term transitional housing beds.
Provide 2,025 transitional housing beds for the homeless	1,964 beds available in 1998, resulting in a net addition of 1,562 beds. Goal not quite met.		Change objective to addition of 1,250 "long-term" transitional housing beds.
Provide 60,000 winter shelter bed-night capacity	77,689 bed night capacity available in 1997-1998 winter shelter program.	77,689 figure reflects extension of program in 1997-98 winter due to "El Nino" conditions.	Change goal to 60,000 bed-nights per winter, assuming normal San Diego winters.
Provide 292 special needs beds	96 beds available in 1998	Funding has been available for general purpose beds rather for special needs beds	Providers have collectively determined that 300 beds should be provided by 2004.
Publish a comprehensive listing of housing developments with units reserved for lower income households by FY 98	Informational Listing of Affordable Housing is periodically revised and made available to the public		No change
Provide ongoing support for research and legislation to promote affordable housing for lower income households	Housing Commission and Planning Dept provide ongoing comments on proposed federal and state affordable housing legislation and programs.		No change

EVALUATION OF PREVIOUS HOUSING ELEMENT

Goals and Objectives in 1991 Housing Element for July 1991-July 1998	Progress- July, 1991-June, 1999	Analysis	Changes
<u>IIA. MAINTENANCE AND CONSERVATION</u>			
Inspect 28,000 units	25,568 inspections done over last 8 years, some for multi-unit properties. Total units inspected exceeds 28,000	Objective is still realistic. No change	No change
Inspect all 36 City owned farm worker units annually	These inspections are being done annually		No change
Inspect all mobile home spaces every 5 years.	These inspections are done on a regular schedule.		No change
Provide at least 2 training programs annually on basic housing maintenance procedures and techniques	The Apartment Asstn sponsors an ongoing series of maintenance courses	These courses will continue	No change
Coordinate code enforcement efforts with housing rehabilitation programs	ongoing program	Neighborhood Code Compliance and Housing Commission routinely coordinate	No change
Support 5 neighborhood cleanup programs per year	This is being done	Goal still reasonable	No change

EVALUATION OF PREVIOUS HOUSING ELEMENT

Goals and Objectives in 1991 Housing Element for July 1991-July 1998	Progress- July, 1991-June, 1999	Analysis	Changes
IIB PRESERVATION OF AFFORDABLE HOUSING			
Preserve 1,210 "at-risk" units	662 assisted "at-risk" units preserved	Many potentially 'at-risk' projects in fact did not convert. Of the 1,210 units eligible, only 290 actually converted	Change objective to preservation of 10% of all units eligible to convert to market rate status
Update regulations regarding SRO relocation and replacement	The Zoning Code Update includes updated regulations on SRO relocation and replacement	Has been accomplished. However, regulations still need to be amended to reflect Court decisions on interpretation of Ellis Act	Amend regulations to be consistent with Ellis Act
Lengthen required time in which affordability restrictions will be in place for future housing projects assisted by a City loan	Housing Commission has added language to their standard contracts with developers to allow renegotiation of affordability terms 2 years prior to expiration	This has been accomplished	

EVALUATION OF PREVIOUS HOUSING ELEMENT

Goals and Objectives in 1991 Housing Element for July 1991-July 1998	Progress- July, 1991-June, 1999	Analysis	Changes
IIC REHABILITATION			
Provide funding to assist in rehabilitating 700 owner occupied housing units	1,100 units assisted	<p>Homeowner rehabilitation includes three programs</p> <p>(a) Rehabilitation of 1-4 unit bldgs where 1 du is owner occupied</p> <p>b) 0 interest deferred loans for very low-income single-family owner occupied units</p> <p>(c) Rehabilitation for low income 1st time home buyers</p>	Increase objective to 750 units over 5 year cycle
Provide funding to assist in rehabilitating 2,100 renter occupied housing units	811 units assisted	<p>Primary reasons for not meeting objective were</p> <p>(1) Provision for a 10 yr balloon payment scared potential participants away.</p> <p>(2) Program was available only in selected communities.</p>	<p>Reduce objective to 100 per year or 500 for the entire Housing Element cycle.</p> <p>Restructure program to make it more attractive to potential participants.</p>
Utilize Enterprise Community Program to rehabilitate 90 units	No units rehabilitated using this program	This program is really a funding source for rental rehabilitation.	Fold objective for this program in with rental rehabilitation objective.

EVALUATION OF PREVIOUS HOUSING ELEMENT

Goals and Objectives in 1991 Housing Element for July 1991-July 1998	Progress- July, 1991-June, 1999	Analysis	Changes
Complete modifications to 56 homes occupied by disabled individuals	1,188 modifications made. Includes bathroom and kitchen improvements, ramping	Usage greatly increased in 1992 when Prosthetics Div of VA assumed admin of program. Usage increased further in 1995 when regulations changed to broaden eligibility	Assume 10% annual increase in number of applicants. This translates into modifications to 2,194 homes

EVALUATION OF PREVIOUS HOUSING ELEMENT

Goals and Objectives in 1991 Housing Element for July 1991-July 1998	Progress- July, 1991-June, 1999	Analysis	Changes
III REDUCTION OF GOVERNMENTAL CONSTRAINTS			
Revise zoning code regulations to reduce processing time for residential developments	Land Development Code (LDC) adopted by Council and effective 1/1/2000 simplifies development regulations and permit approval process.	LDC raised thresholds for discretionary reviews in multi-family projects, i.e. fewer discretionary reviews. Base zones were strengthened to promote quality design without discretionary reviews.	Retain objective to propose additional modifications that would further facilitate permit processing.
Redesign permit review system to reduce processing time for discretionary projects and create more certainty for applicants	Redesigned permit review system (Process 2000 system) is now fully functional for discretionary projects	45 discretionary permits were consolidated into 7. Environmental regs were simplified and consolidated. Numerous overlay zones and special permits were deleted.	Remove objective since it was accomplished.
Provide staff expediter to accelerate processing of projects in which 20% or more of units are affordable to low income households	An expediter was on staff but has now been discontinued because Process 2000 creates improved processing efficiency across the board.	Eliminate this goal since this goal is being accomplished though Process 2000	

EVALUATION OF PREVIOUS HOUSING ELEMENT

Goals and Objectives in 1991 Housing Element for July 1991-July 1998	Progress- July, 1991-June, 1999	Analysis	Changes
Provide flexible regulations for building and housing permits to reduce impediments to affordable housing	Zoning Code Update adopted by Council and scheduled for Coastal Commission approval in 1999 provides more flexible regulations.	Will be implemented through the Zoning Code Update.	
Provide flexible regulations for companion units	City Council did not amend Companion Unit regulations as part of Zoning Code Update. However, in November, 2000, City Council Land Use and Housing Committee directed staff to propose amendment to remove barriers in regulations.	With vacancy rate below 5%, City is now accepting companion unit applications. Very few applications received. City staff will propose amendment to regulations to remove barriers.	Propose amendment.
Monitor annual average processing times for discretionary development permits	This is being done. In 1990-1993 period, processing time dropped by approximately 50% and has remained fairly constant for past five years.	There are many factors beyond City control such as caseload that impact processing times. City continues to look for ways to reduce processing times.	The City will continue to monitor

EVALUATION OF PREVIOUS HOUSING ELEMENT

Goals and Objectives in 1991 Housing Element for July 1991-July 1998	Progress- July, 1991-June, 1999	Analysis	Changes
<p>Re-examine public facility standards for streets and sidewalks to facilitate more affordable housing.</p>	<p>Revised Street Design Manual includes several TOD provisions, including:</p> <ol style="list-style-type: none"> 1. Allow adjustments to standards for projects designed as TOD's 2. Creates a new classification of collector streets that provides an alternative means of handling increased traffic before adding new lanes. 3. Reduces requirements for intersection spacing for local streets to encourage an interconnected street system. 4. Does not permit cul-de-sacs where pedestrian circulation and transit service would suffer. 	<p>City staff have been using the revised Manual to guide street design since 1/97. However, it continues to evolve in response to continued public input from design professionals, community planning groups and others.</p>	<p>Retain policy and program, with emphasis on incorporating TOD guidelines to a greater extent.</p>

EVALUATION OF PREVIOUS HOUSING ELEMENT

Goals and Objectives in 1991 Housing Element for July 1991-July 1998	Progress- July, 1991-June, 1999	Analysis	Changes
Consider modifying the City's impact fee program to give credit to mixed land use projects for reducing the need for additional roadway capacity.	Due to a poor nexus relationship between incremental new development and existing facilities, a significant reduction in impact fees for affordable or mixed land use projects was considered in the early 1990's but not implemented	<p>The City determined that a significant fee reduction would cause unacceptable public facilities deficiencies.</p> <p>Alternative ways of funding public facility needs will be studied as part of the Strategic Framework planning process.</p>	Strategic Framework Element will examine alternatives
Permit projects which require no plan amendment or rezone to utilize community plan EIR's as a master environmental assessment. Complete 2-3 Master EIR's per year.	Thirteen Master EIR's for community plans were completed during the reporting period. However, they do not replace project specific environmental impact reports where these are required.	Master environmental assessments do not relieve affordable housing or mixed land use projects from the necessity of detailed environmental review	Eliminate this goal since detailed environmental reviews must typically still be done.
Provide one training session annually on affordable housing objectives, policies and programs	This was done for two years during reporting period but was eliminated due to poor attendance at the sessions. It will be reinstated in 1999 in order to inform community planning groups of their roles and responsibilities regarding affordable housing.	Maintain this goal	

EVALUATION OF PREVIOUS HOUSING ELEMENT

Goals and Objectives in 1991 Housing Element for July 1991-July 1998	Progress- July, 1991-June, 1999	Analysis	Changes
IV HOUSING AFFORDABILITY			
Provide Section 8 certificates/vouchers to 1,400 additional households	1,578 additional certificates and vouchers added. Goal met	Additional rental assistance for next Housing Element cycle is expected to be reduced significantly, based on HUD budget and Housing Commission HOME allocations	Reduce Section 8 certificates and vouchers from 1,400 to 1,000
Provide Home Tenant Rental Assistance to 220 households by FY 97	100 households assisted		Maintain goal at 100 for next Element
Supportive Housing Program - No target goal in previous Housing Element	FY95- 554 beds FY96- 123 beds FY97 479 beds FY98 350 beds	Number of beds fluctuates annually with availability of HUD funding	Set goal at approximately 300-400 beds annually through FY 2004
Provide HOPWA rental assistance to 317 households of people with AIDS	HOPWA rental assistance has averaged approximately 115 households annually. Goal met	Goal has been met and exceeded. Program will continue to serve over 100 households annually	HOPWA rental assistance projected to be 130 households for FY 99 and 135 households annually for subsequent years to 2004
Provide Shelter Plus Care to 114 households	As of June 30, 1998, Shelter Plus Care served 126 households.	Goal has been met. Program will continue to serve 100 to 120 single person households annually.	State goal as an annual range of 100 - 120 households assisted.

EVALUATION OF PREVIOUS HOUSING ELEMENT

Goals and Objectives in 1991 Housing Element for July 1991-July 1998	Progress- July, 1991-June, 1999	Analysis	Changes
Maintain occupancy of 1,605 public housing units	Housing Commission maintains occupancy of 1,845 units primarily for very low-income households		Revise goal to reflect number of additional public housing units that came on line during FY 91-99 cycle.
Assist 5,000 first-time homebuyer households with counseling, training and seminars	Assistance has averaged over 1,800 households annually. Goal has been exceeded.		Increase goal to 12,000 over 5 year period to reflect increased level of service
Assist 2,800 first-time homebuyer households with financial assistance	2,672 households assisted as of June 30, 1998. Goal not quite met	Of the 2,672 first-time home buyers assisted, 1,447 were lower income and 1,225 were moderate income	Reduce goal to 1,800 lower income and 800 moderate income in new Element, based on a realistic appraisal of resources anticipated.
Provide 1,000 households with rental households with relocation/eviction assistance	Housing Commission provided relocation assistance to 125 households.	Data on other relocation assistance provided through the County not obtainable.	Revise goal to specify Housing Commission relocation assistance of 125 households
Permit one housing development per year using proposed new Small Lot Zone and/or Townhouse Zone	No projects are yet approved with these new zones since Zoning Code Update is awaiting Coastal Commission certification	This objective is dependent on private sector interest. City is doing public outreach to promote interest in smaller lots, townhouses and other higher density concepts.	Retain goal.

EVALUATION OF PREVIOUS HOUSING ELEMENT

Goals and Objectives in 1991 Housing Element for July 1991-July 1998	Progress- July, 1991-June, 1999	Analysis	Changes
Facilitate development of one cohousing project	Not done.	Cohousing is not market driven, but rather driven by groups of individual households interested in the concept	A worthwhile goal, which should be retained, though there is little that the City can do to promote it
Provide financial support for efforts to match 125 elderly residents per year with other residents in shared living arrangements	Currently 150 matches per year are being supported	A very successful program which will City will continue to support.	This program is expected to continue at its current level.
Provide 200 units of housing specially designed for single parents, with dual master bedrooms and childcare facilities on site.	No residential developments have been built that specifically cater to this market.	The City has amended its development regulations to make childcare facilities a use by right in Planned Residential Development communities. Beyond this, the private market must respond to this niche.	Again, while this is a worthwhile goal, there is little that the City can do to promote it and it should be deleted in the new Housing Element.
Create a community land trust to acquire land for affordable housing	No community land trusts created thus far in San Diego	Housing Commission indicates not feasible, due to high land costs in San Diego	Eliminate goal due to lack of feasibility
Create a limited equity housing cooperative	One limited equity cooperative was established in 1994 and is currently providing housing and cooperative training for 15 households of 3-10 people	Four households formerly housed have progressed to home ownership	Another limited equity housing coop is anticipated during the term of the 1999-2004 Housing Element

EVALUATION OF PREVIOUS HOUSING ELEMENT

Goals and Objectives in 1991 Housing Element for July 1991-July 1998	Progress- July, 1991-June, 1999	Analysis	Changes
Adopt an ordinance designed to preserve the affordability of mobile home parks for mobile home owners	A mobile home park overlay zone designed to protect affordability of mobile home parks has been in effect since 1992		Eliminate from new Housing Element since already accomplished
Amend mobile home relocation policy to provide relocation benefits to displaced mobile home residents	This policy has been adopted and is now in effect.		Amend program description to say that Housing Commission will continue to provide relocation benefits to displaced mobile home park tenants
Establish mobile home mediation/communications program	This program has been established	Program promotes communication between mobile home park residents and park owners.	Retain program since mediation/communication service will continue
Provide housing affordability impact statements for new projects and proposed policy changes	Housing affordability impact statements are now being provided on all Planning Commission and Council reports for all projects or proposals that impact housing affordability	Continue to do Affordability Impact Assessments.	
Assist not-for profit corporations in providing 500 new or rehabilitated units for lower income occupancy from FY 91-FY 96	1,305 units of affordable housing produced to date by nonprofit housing development community	The target was exceeded due to continued demand for rehabilitation	Increase target to 1,000 units

EVALUATION OF PREVIOUS HOUSING ELEMENT

Goals and Objectives in 1991 Housing Element for July 1991-July 1998	Progress- July, 1991-June, 1999	Analysis	Changes
Prepare annual report monitoring lending institutions in Community Reinvestment Act (CRA) obligations	City-County Reinvestment Task Force (RTF) prepares these reports annually.	1999 report indicates steady increase in volume of CRA lending activity, pursuant to reinvestment plans developed by lending institutions in conjunction with the RTF. But some lenders are still reluctant to make a CRA commitment in low income communities.	Expand goal to include a comprehensive regional credit need /demand assessment and a five year reinvestment strategy to define key reinvestment initiatives for City
Encourage banks and savings and loans to provide loans for 250 units of non-traditional and/or affordable housing	The City's first Limited Equity Housing Coop was created, yielding 14 units.	Although only 14 units have been done, goal is still worthwhile and should be retained.	Retain goal.

EVALUATION OF PREVIOUS HOUSING ELEMENT

Goals and Objectives in 1991 Housing Element for July 1991-July 1998	Progress- July, 1991-June, 1999	Analysis	Changes
V. A FAIR SHARE AND COMMUNITY BALANCE			
Incorporate fair share goals in community plans	Fair share goals have been included in those community plans completed since 1995 which do not already meet the fair share goals.	Although goals have been incorporated into some plans, they have been implemented very unevenly.	Change to Affordable Housing Goals, for individual communities, consistent with SANDAG self-certification program.
Include a housing element in each community plan with fair share goal, policies and programs to meet goal and projections of employment opportunities for lower income persons in relation to the fair share goal	Community plans adopted since 1995 have included sections on affordable housing, but have not included analyses of needs for low income housing and projections of low-income employment opportunities.	Pu more emphasis on linkage between low wage jobs and need for affordable housing opportunities through the Strategic Framework, community plan updates and action plans.	Continue to include a community plan housing element in community plan updates. Need to put more emphasis on locations of low wage job opportunities, housing and commuting patterns.
Provide 350 affordable housing units dispersed around City through use of density bonus and tax exempt bond units and other programs	Approximately 250 new affordable units provided	Future opportunities for dispersal will be limited due to land costs, making acquisition more cost effective than new construction.	Change goal to dispersal of affordable housing opportunities through greater reliance on dispersal of rental subsidies.
Incorporate land guidance principles into General Plan	This was not done	Not accomplished due to competing priorities. However, it remains a commitment. New Strategic Framework will provide guidelines for incorporating TOD principles into other elements of General Plan.	Retain goal. City still intends to do this.

EVALUATION OF PREVIOUS HOUSING ELEMENT

Goals and Objectives in 1991 Housing Element for July 1991-July 1998	Progress- July, 1991-June, 1999	Analysis	Changes
Amend TDM program to credit employers who provide incentives for employees to live close to work	The TDM Program was rescinded because it was considered too onerous for employers	Remove this goal	No longer a city program.
Relocate 250 Section 8 households from areas of over-concentration of lower cost housing to other parts of the City	Goal met. However, 250 represented a participation rate of less than 10% of households who could have participated.	Housing Commission eliminated program due to poor participation rate.	Replace goal with Community Opportunities Program which has a similar objective.

EVALUATION OF PREVIOUS HOUSING ELEMENT

Goals and Objectives in 1991 Housing Element for July 1991-July 1998	Progress- July, 1991-June, 1999	Analysis	Changes
V-B REDEVELOPMENT AGENCY SET-ASIDE FUNDS			
Utilize redevelopment set-aside funds to assist in developing 1,000 SRO units	Goal met, 1,015 SRO units added	Redevelopment strategy for downtown is emphasizing other forms of housing for low and very low-income households. Developers have not been successful in developing SRO's beyond downtown, despite efforts.	Reduce goal to 200
Utilize redevelopment set-aside funds to assist in developing 1,623 transitional housing spaces	1,964 beds available in 1998 for a net addition of 1,562. Goal not quite met.		Change objective to addition of 1,250 "long-term transitional housing beds.
Utilize redevelopment set-aside funds to construct 777 new rental units for low and very low-income households	689 new rental units added. Goal not quite met.	Recessionary economic conditions dampened market interest in rental housing. Then, when market rebounded, high land costs necessitated high per unit subsidies to create affordable lower income units.	Reduce goal to 380 new rental units, reflecting anticipated resources and high land costs associated with rental new construction, making high per unit subsidies necessary
Utilize redevelopment set-aside funds to subsidize construction of 500 units for moderate income and first time buyer households	293 new owner-occupied units added. Goal not met.	Again, economic conditions precluded meeting of goal. rebounded, Then, land costs again necessitated high per unit subsidies, though not as high as for low-income units.	Reduce goal to 150 new for-sale units to more realistically reflect anticipated resources and level of per unit subsidy required.

EVALUATION OF PREVIOUS HOUSING ELEMENT

Goals and Objectives in 1991 Housing Element for July 1991-July 1998	Progress- July, 1991-June, 1999	Analysis	Changes
V-C REDUCTION OF HOUSING DISCRIMINATION			
Continue annual support for the Fair Housing Council and the Community Housing Resource Board	Annual support has continued.		Retain goal
Require submission of affirmative action marketing program for all residential tentative maps for proposed residential developments per Council Policy 600-20	This goal continues to be implemented		Retain goal
Conduct a fair housing assessment no later than FY 1995 and every five years thereafter	Assessment completed in 1996		Delete this goal and the next one and replace with an Analysis of Impediments, as required by HUD regulations for Consolidated Plan.
Conduct three fair housing audits to measure progress in reducing illegal discrimination	One audit completed	Audits have not been funded on a regular basis and are costly.	Delete goal and instead replace with Analysis of Impediments.

EVALUATION OF PREVIOUS HOUSING ELEMENT

Goals and Objectives in 1991 Housing Element for July 1991-July 1998	Progress- July, 1991-June, 1999	Analysis	Changes
V-D ENERGY CONSERVATION			
Retrofit 50,000 single- family units and 260,000 multi-family units with water conservation plumbing devices annually	Eliminated as an outreach program because customer saturation point was reached	Retrofitting still available upon request	Eliminate quantified goal. The City will continue to support retrofitting upon request
Provide ultra-low flush toilet rebates to 1500 residences annually	30,000 rebates per year are being issued	The number of rebates per year far exceeds the goal	Change goal to reflect the increased number of rebates annually
Conduct 1,250 annual audits of households to assist in reducing water consumption	2,500 annual audits are being conducted	The number of annual audits far exceeds the goal	Change goal to reflect the increased number of audits performed annually
Adopt an ordinance requiring ultra-low flush toilets in all new construction effective Jan 1, 1992	Ordinance was adopted		
Cooperate with SDG&E to provide information about energy conservation programs	This is being done		
Provide weatherization information and materials to 1,300 lower income households	Weatherization information is available upon request		Eliminate goal since information is available upon request
Prepare five community plan urban design elements per year to promote efficient land use patterns	Urban design elements have been added or updated in the thirteen community plans updated since 1991	Ongoing	

EVALUATION OF PREVIOUS HOUSING ELEMENT

Goals and Objectives in 1991 Housing Element for July 1991-July 1998	Progress- July, 1991-June, 1999	Analysis	Changes
Implement citywide landscape design ordinance which encourages drought tolerant plants and energy efficiency	Ongoing. Implemented through permit approval process.	Continue to implement.	No change

HOUSING ELEMENT APPENDIX F

**Principles and Guidelines for Program Eligibility for
Self Certification
(As adopted by SANDAG Housing Element Advisory
Committee)**

APPENDIX F

PRINCIPLES AND GUIDELINES FOR PROGRAM ELIGIBILITY FOR SELF-CERTIFICATION

The following principles and guidelines were prepared by SANDAG's Housing Element Advisory Committee and approved by SANDAG for use by local jurisdiction staff in determining which programs may be counted towards the affordable housing goals for self-certification of their housing elements. A list of examples of the programs that count or do not count is also included. The list is not exclusive. These principles and guidelines are for use for both the 1991-1999 and 1999-2004 housing element cycles.

The principles and guidelines recognize a variety of types of housing programs and opportunities that jurisdictions can provide to assist low, very low, or extremely low (also referred to as low) income households. Assessing progress towards meeting the affordable housing goals for self-certification is the responsibility of each jurisdiction, as is the self-certification process. These principles and guidelines, and the list of program examples are to be used by jurisdictions in determining whether they have met their affordable housing goals during the previous housing element cycle, and reflect the requirements of subdivision (c)(3) of Section 65585.1 of the Health and Safety Code. State law only allows jurisdictions to "count each additional lower income household provided with affordable housing costs."

Principles

1. Jurisdictions may count each additional affordable housing opportunity provided for low income households towards their affordable housing goals for the applicable housing element cycle, in accordance with the Credit System for Measuring Performance.
2. Flexibility is provided to local jurisdictions in how they meet their affordable housing needs. Credit may be claimed for: new construction, acquisition, rehabilitation, rental or ownership assistance and preservation of the availability to lower income households of affordable housing units which are assisted, subsidized, or restricted by a public entity and are threatened with imminent conversion to market rate housing.
3. Housing opportunities counted must serve only low; very low, or extremely low income households, between 51-80 percent, 31-50 percent or, at below 30 percent of the region's median income adjusted for household size, respectively.
4. Measures must be in place to assure that the units counted remain affordable.
5. Local jurisdiction administrative burdens related to self-certification should be minimized.

Guidelines

6. "Affordable housing costs are defined in Section 6918 for renters, and in Section 6920 for purchasers, of Title 25 of the California Code of Regulations, and in Sections 50052.5 and 50053 of the Health and Safety Code, or by the applicable funding source or program." (Section 65585.1(c)(2) of the Health and Safety Code) For extremely low income households, the definition of affordable housing costs is 30 percent of 30 percent of area median income adjusted for household size.

For renters assisted using local regulatory measures, and local homeownership assistance or owner-occupied rehabilitation programs, housing costs for low income households shall not exceed 30 percent of 80 percent of area median income adjusted for household size. For renters assisted with rent subsidies or units provided with an ongoing subsidy to the property owner, affordability is defined in Section 6918 of Title 25 of the California Code of Regulations and Section 50053 of the California Health and Safety code. (All other types of subsidy are considered regulatory in nature.)

For homeownership assistance such as the federal HOME program and mortgage credit certificates, the program regulations capping the cost of the dwelling unit and/or the lender's loan underwriting standards define affordability.

7. For homebuyer programs, the sales price of the unit should not exceed three times the household income.
8. Occupancy of new units, or certificates of inspection or affordability of existing units began during the housing element cycle.
9. Units should be counted not households. Households may be counted for shared housing programs, transitional housing and group homes (when the capacity of the unit is more than one household), and rental subsidy programs.
10. For group homes and transitional housing, a jurisdiction should determine the capacity of the dwelling unit by assessing the typical number of households occupying the dwelling, but in no case shall the number of households credited exceed the number of bedrooms.
11. Rental units shall be income and affordability restricted for at least five years.
12. Any program that extends affordability only counts when the extension will impose income and affordability restrictions for at least an additional 30 years unless specified by federal or state funding sources.
13. Second dwelling units shall count only if the units are rented at an affordable housing cost to a low income household.

14. Owner-occupied rehabilitation shall count only if the household assisted is low income, the rehabilitation done is substantial (i.e., a substandard unit is made standard), and the household is paying affordable housing costs or the rehabilitation results in an increase in affordability.
15. Only the net increase in households assisted through rental assistance or mobile home rent programs may be counted.
16. For homebuyer programs, affordability and income eligibility shall be verified at time of sale; however, covenants are not required to assure ongoing income eligibility and affordability provided program funds are recycled.
17. Transitional housing opportunities should be counted based on the household capacity of the dwelling unit.
18. Credit for programs/units may be shared on a voluntary basis if there is joint participation and agreement.
19. For the 5 year housing element cycle, only the net increase in low, very low, and extremely low income households paying affordable housing costs who are placed in shared housing may be counted. The number of shared households assisted for the 5 year cycle would be calculated as follows: Total number of low income households assisted (expressed in total number of months of assistance) divided by 60 months.

Examples of Programs that Count*	Examples of Programs that Do Not Count***
<ol style="list-style-type: none"> 1. Units funded by State Mobile Home Resident Owner program 2. Inclusionary and density bonus units 3. Conversion from commercial/industrial to residential 4. Units funded with tax credits 5. Transitional housing opportunities in a permanent dwelling unit (includes opportunities for persons with special needs) 6. 236 and 221(d)(3) units that have received extended affordability 7. Farmworker housing 8. Section 202 – new rental housing 9. Rent subsidy programs including new competitively funded federal rental assistance** 10. Rental rehabilitation/ acquisition with rent restriction 11. Second dwelling units/illegal unit conversion 12. Mobile home rent programs 13. Single room occupancy units (SROs) 14. Housing bonds/refinance 15. First-time homebuyer programs 16. Mortgage credit certificates 17. Shared housing operated by a non-profit and funded by a jurisdiction 18. Owner-occupied rehabilitation of substandard units <p>* Jurisdictions should refer to the principles and guidelines to determine whether a particular program should be counted.</p> <p>** The net increase in Section 8 certificates and vouchers may be counted during the 1991-99 housing element cycle. For the 1999-2004 cycle, only new competitively funded federal rental assistance may count.</p>	<ol style="list-style-type: none"> 1. Inclement weather shelter facilities 2. Market rate units unless affordability is guaranteed and occupants are income eligible 3. Rental rehabilitation without rent restrictions 4. FEMA shelter vouchers 5. Cosmetic rehabilitation and fix-up/paint programs 6. Dormitory style housing facilities and nursing homes <p>*** Though these programs do not count towards the affordable housing goals for self-certification, they are recognized as programs that address important housing needs.</p>

**HOUSING ELEMENT
APPENDIX G**

**Methodology for Estimating Vacant and
Redevelopable Land Available for Residential
Development**

TECHINICAL APPENDIX G
Methodology for Estimating Vacant and Redevelopable
Land Available for Residential Development

The estimate of vacant and redevelopable land available for residential development was based on the San Diego Association of Governments (SANDAG's) Preliminary 2020 Forecast.

The Regional Growth Forecast is prepared by SANDAG at periodic intervals and includes projections of population, housing, and employment. The Preliminary 2020 Forecast provides projections for the years 1995-2020. The Preliminary 2020 Forecast was utilized for the Housing Element.

For the City of San Diego, the adopted community plans were used to assign the type and density of development that could occur on usable vacant land. In addition to vacant land, the Preliminary 2020 Forecast also projected potential redevelopable and infill land. The City of San Diego Planning and Development Review Department assisted SANDAG with this part of the analysis by identifying existing development that has the most potential for change over the forecast period through either redevelopment or infill. Redevelopment implies a change of land use such as single-dwelling areas converting to multiple dwelling use, while infill implies an intensification of an area with no change in land use (e.g. lot splits in a single dwelling area for other dwelling units).

The City's Planning and Development Review Department advised SANDAG to assume in their forecasting model that vacant land would develop to 50-100 percent of maximum density, while redevelopable land would develop to 75 percent of maximum density. This input was based on the Department's judgement as to the extent to which vacant land and redevelopable land generally tended to develop to maximum allowable densities, in accordance with applicable land use designations and zoning.

To make the projections most meaningful for the Housing Element, SANDAG aggregated the projections for vacant land, infill and redevelopment into three density categories: 0- 10 dwelling units/acre, 10.1- 25 dwelling units/acre, and 25.1 dwelling units/acre and above.

The 0- 10 units/acre category roughly corresponds to single-dwelling development available for households having incomes above the moderate-income level.

The 10.1- 25 units/acre category roughly corresponds to densities which could produce housing potentially affordable to moderate-income households.

The 25.1 dwelling unit/acre and above category roughly corresponds to densities which are most likely to produce housing affordable to low and very low-income households.

**HOUSING ELEMENT
APPENDIX H**

**Estimate and Projections of Retail Jobs by
Community Planning Area**

APPENDIX H
ESTIMATES AND PROJECTIONS OF RETAIL JOBS
BY COMMUNITY PLANNING AREAS, 1995 and 2005

Community Plan Area	1995 Jobs	2005 Jobs
Barrio Logan	555	784
Beeler Canyon	0	0
Carmel Mountain Ranch	1,513	1,993
Carmel Valley	1,003	1,360
Centre City	8,102	9,126
City Heights*	7,901	9,112
Clairemont Mesa	4,346	4,744
College Area	766	787
Del Mar Mesa	1	1
East Elliott	0	0
Eastern*	9,771	10,421
Fairbanks Ranch	0	0
Golden Hill	323	334
Kearny Mesa	8,159	9,500
Kensington-Talmadge*	2,065	2,326
La Jolla	3,483	3,515
Linda Vista	3,540	3,705
Midway	1,006	1,157
Mira Mesa	8,425	10,335
Miramar Ranch North	0	249
Mission Bay	144	158
Mission Beach	432	485
Mission Valley	7,160	9,589
Navajo	2,703	2,937
North City FUA	39	625
North Park	2,169	2,256
Normal Heights*	1,845	2,060
Ocean Beach	966	1,019
Old San Diego	1,231	1,331
Otay Mesa	320	3,185
Otay Mesa-Nestor	1,633	1,842
Pacific Beach	3,829	3,943
Peninsula	1,802	1,959
Rancho Penasquitos	756	890
Rancho Bernardo	2,059	2,538
Sabre Springs	50	217
San Pasqual	13	13
San Ysidro	2,043	2,511
Scripps Miramar Ranch	779	921

APPENDIX H (cont'd)
ESTIMATES AND PROJECTIONS OF RETAIL JOBS
BY COMMUNITY PLANNING AREAS, 1995 and 2005

Community Plan Area	1995 Jobs	2005 Jobs
Serra Mesa	345	355
Skyline-Paradise Hills	444	483
Sorrento Hills	0	248
Southeastern Comm.	1,450	1,820
Tierrasanta	540	587
Tijuana River Valley	0	15
Torrey Highlands	0	75
Torrey Pines	804	909
University	5,514	7,015
Uptown	3,124	3,243
Via de la Valle	0	0

HOUSING ELEMENT APPENDIX I

Development Standards and Locational Criteria in Land Development Code for Homeless Facilities and Transitional Housing

- (e) Any facilities that are constructed as part of the new use shall be designed to be similar in scale and style with the historical use, in accordance with Chapter 14, Article 3, Division 2 (Historical Resources Regulations).
- (f) Hours of operation shall be limited to conform to hours of normal activity in the neighborhood.
- (g) The decision maker may waive or modify the base zone regulations for maximum *floor area ratio*.
- (h) The decision maker may waive or modify the requirements for off-street parking and landscaping. The *applicant* may be required to preserve existing mature landscaping.

(Added 12-9-1997 by O-18451 N.S.; effective 1-1-2000.)

§141.0412 Homeless Facilities

- (a) This section regulates the following homeless facilities.
 - (1) Congregate meal facilities: Any facility that provides scheduled meals on a daily basis for individuals or *families* who are homeless or *low income* or *very low income*, as defined in Section 113.0103.
 - (2) Emergency shelters: Any facility that provides sleeping accommodations and restroom facilities to homeless persons on a day-to-day basis, for periods of thirty day or less.
 - (3) Homeless day centers: Any facility that provides basic services, including personal hygiene, information and referral, employment, mail, and telephone services, during daylight hours to homeless persons.
- (b) Congregate Meal Facilities

Congregate meal facilities may be permitted with a Conditional Use Permit decided in accordance with Process Four in the zones indicated with a "C" in the Use Regulations Tables in Chapter 13, Article 1 (Base Zones) subject to the following regulations.

- (1) No more than one congregate meal facility may be permitted within 1/4 mile of an emergency shelter, a homeless day center, or another congregate meal facility, measured from *property line* to *property line* in accordance with Section 113.0225.

- (2) Overnight accommodations are not permitted.
 - (3) Drive-up or drive-through service is not permitted.
 - (4) Live entertainment is not permitted.
 - (5) Distribution or consumption of alcoholic beverages on the *premises* is not permitted.
 - (6) The facility shall provide a waiting area for clients to prevent queuing into the *public right-of-way*. The size of the waiting area shall be at least 5 square feet per client, based on the maximum number of clients the facility can accommodate according to Fire Department standards. Any outdoor waiting area shall be physically separated from the *public right-of-way*.
 - (7) The facility shall provide off-street parking at a rate of 1 space per full-time-equivalent employee, calculated at 8 hours of working time per employee per 24-hour period.
 - (8) Hours of operation shall be limited to the hours between 6:00 a.m. and 10:00 p.m.
 - (9) All activities associated with the facility, including the serving of food and beverages, shall occur within an enclosed building.
 - (10) The *applicant* shall submit the following materials to the decision maker for consideration:
 - (A) A communications plan that describes how the provider will communicate with local community, neighborhood, and business organizations, and with adjacent neighbors on a regular basis, and how community issues or concerns will be addressed;
 - (B) A plan to minimize loitering in the vicinity of the facility; and
 - (C) A litter control plan to provide for the removal of litter in the vicinity of the facility on a regular basis.
- (c) Emergency Shelters

Emergency shelters may be permitted with a Conditional Use Permit decided in accordance with Process Five in the zones indicated with a "C" in the Use Regulations Tables in Chapter 13, Article 1 (Base Zones) subject to the following regulations. Section 112.0509(b) requiring a Planning Commission recommendation, shall not be applicable to emergency shelters.

- (1) Emergency shelters are not permitted in the future urbanizing area.
- (2) Emergency shelters shall provide at least 35 square feet of sleeping area per bed.
- (3) Emergency shelters shall provide a waiting area of at least 10 square feet per bed to accommodate clients and to prevent queuing into the *public right-of-way*. Any outdoor waiting area shall be physically separated from the *public right-of-way*.
- (4) Emergency shelters shall provide at least 1 toilet for every 15 beds.
- (5) Emergency shelters shall provide off-street parking at a rate of at least 1 space for each full-time-equivalent employee, calculated at 8 hours of working time per employee per 24-hour period.
- (6) Hours of operation shall be limited to the hours between 6:00 p.m. and 8:00 a.m.
- (7) Emergency shelters shall provide on-site supervision at all times. At least one full-time- equivalent employee shall be provided for every 20 beds.
- (8) Living, dining, and *kitchen* areas shall be physically separated from sleeping areas. The shelter shall provide telephone services separate from the office phone in order to provide privacy.
- (9) The *applicant* shall submit the following materials to the decision maker for consideration:
 - (A) A communications plan that describes how the provider will communicate with local community, neighborhood, and business organizations, and with adjacent neighbors on a regular basis, and how community issues or concerns will be addressed;

- (B) A loitering control plan to minimize the congregation of overnight residents during daylight hours in the vicinity of the shelter; and
- (C) A litter control plan to provide for the removal of litter in the vicinity of the shelter on a regular basis.

(d) Homeless Day Centers

Homeless day centers may be permitted with a Conditional Use Permit decided in accordance with Process Four in the zones indicated with a "C" in the Use Regulations Tables in Chapter 13, Article 1 (Base Zones) subject to the following regulations.

- (1) No more than one homeless day center may be permitted within 1/4 mile of an emergency shelter, a congregate meal facility, or another homeless day center, measured from *property line to property line* in accordance with Section 113.0225.
- (2) Overnight accommodations and meals for transients are not permitted.
- (3) The center shall provide off-street parking at a rate of at least 1 space per full-time-equivalent employee, calculated at 8 hours of working time per employee per 24-hour period.
- (4) Hours of operation shall be limited to 6:00 a.m. to 6:00 p.m.
- (5) The center shall provide on-site supervision at all times. At least one staff member shall be located on the *premises* 24 hours per day.
- (6) The *applicant* shall submit the following materials to the decision maker for consideration:
 - (A) A communications plan that describes how the provider will communicate with local community, neighborhood, and business organizations, and with adjacent neighbors on a regular basis, and how community issues or concerns will be addressed;
 - (B) A plan to minimize loitering in the vicinity of the facility; and

- (C) A litter control plan to provide for the removal of litter in the vicinity of the facility on a regular basis.

(Added 12-9-1997 by O-18451 N.S.; amended 9-29-1998 by O-18589 N.S.; effective 1-1-2000.)

§141.0413 Hospitals, Intermediate Care Facilities, and Nursing Facilities

Hospitals, intermediate care facilities, and nursing facilities may be permitted with a Process Four Conditional Use Permit in the zones indicated with a "C" in the Use Regulations Tables in Chapter 13, Article 1 (Base Zones) subject to the following regulations.

- (a) These facilities are not permitted in agricultural zones in the future urbanizing area or within *floodplains* located in the Coastal Overlay Zone.
- (b) The design of the *structures* shall incorporate a variety of architectural elements that help to diminish building bulk.
- (c) The location of larger *structures*, areas of high activity, and parking areas shall be planned to minimize impacts to surrounding *development* that is smaller in scale and less intense.
- (d) Access to the site shall be as direct as possible from *freeways*, primary arterials, and major *streets* and shall avoid residential *streets*.
- (e) Off-street parking shall be provided in accordance with Table 142-05F.
- (f) All storage, service, and repair areas shall be located on the *premises* or *screened* so that they are not visible from adjacent *development* and *public rights-of-way*.

(Added 12-9-1997 by O-18451 N.S.; amended 10-18-1999 by O-18691 N.S.; effective 1-1-2000.)

§141.0414 Interpretive Centers

Interpretive centers are *structures* or facilities designed to inform and educate the public about the surrounding environment.

Interpretive centers may be permitted with a Conditional Use Permit decided in accordance with Process Four in the zones indicated with a "C" in the Use Regulations Tables in Chapter 13, Article 1 (Base Zones) subject to the following regulations.

- (i) The center shall provide at least one *off-street parking space* for each employee and one *off-street parking space* for every seven beds. Additional parking may be required by the decision maker.
- (j) Conversion of an existing garage or reduction in the amount of *off-street* parking to provide a residential care facility is not permitted.
(Added 12-9-1997 by O-18451 N.S.; effective 1-1-2000; amended 6-19-2000 by O-18814 N.S.)

§141.0313 Transitional Housing Facilities

Transitional housing facilities offer residential accommodations for a specified period of time, counseling services, and other support services to prepare *families* and individuals for independent living.

Transitional housing may be permitted with a Conditional Use Permit decided in accordance with Process Five, in the zones indicated with a "C" in the Use Regulations Tables in Chapter 13, Article 1 (Base Zones) subject to the following regulations. Section 112.0509(b) requiring a Planning Commission recommendation, shall not be applicable to transitional housing facilities.

- (a) Transitional housing is not permitted in agricultural zones in the future urbanizing area.
- (b) Only one transitional housing facility may be permitted per *lot* or *premises*.
- (c) The facility shall provide at least 70 square feet of sleeping space for each resident, not including closet or storage space, multipurpose rooms, bathrooms, dining rooms, and halls.
- (d) Sleeping areas shall not be used as a public or general passageway to another room, bath, or toilet.
- (e) The facility shall provide at least 5 square feet of living area per bed, not including sleeping space, dining areas, and *kitchen* areas.
- (f) The facility shall provide at least 8 square feet of storage area (closet or drawers) per bed.
- (g) The facility shall provide one full bathroom including sink, toilet, and shower or bathtub for every seven beds.

- (h) The facility shall provide at least one *off-street parking space* for each employee and one *off-street parking space* for every seven beds. Additional parking may be required by the decision maker.
- (i) Conversion of an existing garage or reduction in the amount of off-street parking to provide a transitional housing facility is not permitted.
(Added 12-9-1997 by O-18451 N.S.; amended 9-29-1998 by O-18589 N.S.; effective 1-1-2000.)

§141.0314 Watchkeeper's Quarters

Watchkeeper's quarters are permitted as a limited use in the zones indicated with an "L" in the Use Regulations Tables in Chapter 13, Article 1 (Base Zones) subject to the following regulations.

- (a) Watchkeeper's quarters are permitted only as an *accessory use* to a use allowed by the zone.
- (b) Watchkeeper's quarters are permitted only within a permanent *structure*.
- (c) Watchkeeper's quarters shall not exceed 1,200 square feet in *gross floor area* and shall be included in the *floor area ratio* calculation for the *premises*.
- (d) Watchkeeper's quarters may include full living facilities, including a *kitchen*.
- (e) Except where associated with storage yards or mini-warehouses, watchkeeper's quarters shall be attached to the rear of the primary *structure* or, if detached, shall be located between the rear *setback* and the primary *structure*.

(Added 12-9-1997 by O-18451 N.S.; effective 1-1-2000.)

HOUSING ELEMENT APPENDIX J

**Ordinances O-18588 and O-18589 amending the
Municipal Code and Land
Development Code to Facilitate the Processing and
Siting of Emergency
Shelters and Transitional Housing**

APPENDIX J

(0-99-37)

ORDINANCE NUMBER O- 18588 (NEW SERIES)ADOPTED ON SEP 29 1998

AN ORDINANCE AMENDING CHAPTER X, ARTICLE 1, DIVISIONS 1 AND 5, OF THE SAN DIEGO MUNICIPAL CODE BY AMENDING SECTIONS 101.0101.96, 101.0510, AND 101.0581, ALL RELATING TO THE IMPLEMENTATION OF REGULATORY CHANGES FOR HOMELESS FACILITIES.

WHEREAS, on March 21, 1995, The City of San Diego, in accordance with Government Code section 65583, adopted a Housing Element of its Progress Guide and General Plan; and

WHEREAS, the Fourth District Court of Appeal, in the case of *Hoffmaster et al. v. City of San Diego*, found that the City's Residential Care Facilities ordinance "substantially constrains siting homeless facilities for emergency shelter and meaningful transitional housing in any location within the City"; and

WHEREAS, on November 25, 1997, The City of San Diego amended its Housing Element to comply with the findings of the court; and

WHEREAS, the City now wishes to amend its Residential Care Facility ordinance to ameliorate the constraining effects found by the Court; NOW, THEREFORE,

BE IT ORDAINED, by the Council of The City of San Diego, as follows:

Section 1. That Chapter X, Article 1, Divisions 1 and 5, of the San Diego Municipal Code are amended by amending Sections 101.0101.96, 101.0510, and 101.0581, to read as follows:

Sec. 101.0101.96 Residential Care Facilities

1. A "residential care facility" means any building or place which is maintained and operated to provide sleeping accommodations, with or without

food service(s) or kitchen facilities, for mentally disordered or otherwise disabled persons or dependent persons, or persons in rehabilitation or recovery programs; including, but not limited to, alcohol or substance abuse treatment, residential and community care facilities as defined by the state or county, facilities providing counseling services, emergency shelters and transitional housing for the homeless, and facilities receiving any form of government funding or subsidy, but excluding housing for the elderly, nursing or convalescent homes.

2. An emergency shelter is any facility that provides sleeping accommodations and restroom facilities to homeless persons on a day-to-day basis for periods of thirty days or less.

3. Transitional housing is a facility that offers residential accommodations for a specified period of time, counseling services, and other support services to prepare families and individuals for independent living.

Sec. 101.0510 Conditional Use Permit

A. and B. [No change.]

C. USES WHICH MAY BE CONSIDERED

1. "Hearing Officer" as Decisionmaker With Appeal to either the "Board of Zoning Appeals" or the "Planning Commission."

[No change in text of first paragraph.]

a. through n. [No change.]

o. Residential care facilities, as defined in Section 101.0101.96 for not more than twelve persons in any zone which otherwise permits residential use, subject to the development

standards and locational criteria of Section 101.0581, except in A-1 zoned areas of the Coastal Zone subject to the FPF (Floodplain Fringe) overlay zone or in the Future Urbanizing area. This provision shall not apply to applications involving residential care facilities for emergency shelter or transitional housing.

p. through u. [No change.]

2. [No change.]

3. Planning Commission as Decisionmaker with appeal to the City Council.

[No change in text of first paragraph.]

a. through d. [No change.]

e. Residential care facilities, as defined in Section 101.0101.96 for more than twelve persons in any zone which otherwise permits residential use, subject to the development standards and locational criteria of Section 101.0581, except in the Future Urbanizing area. This provision shall not apply to applications involving residential care facilities for emergency shelter or transitional housing.

f. through p. [No change.]

4. City Council as Decisionmaker.

[No change in text of first paragraph.]

a. through f. [No change.]

g. Residential care facilities for emergency shelters or transitional housing, as defined in Section 101.0101.96. The provisions of Section 111.0510(b), requiring a recommendation from the Planning Commission, shall not apply to applications for residential care facilities for emergency shelters or transitional housing.

5. and 6. [No change.]

D. through M. [No changes.]

Sec. 101.0581 Conditional Use Permit Development Standards and Locational Criteria for Residential Care Facilities

A. through C. [No change.]

D. Development Standards and Locational Criteria

[No changes to the first two paragraphs.]

1. through 6. [No changes.]

7. Only one residential care facility shall be permitted per lot or premise and shall be separated by a straight line radius of no less than one-quarter mile to any other type of residential care facility measured from property line to property line. The one-quarter mile separation provision shall not apply to applications for residential care facilities for emergency shelters or transitional housing.

8. through 10. [No changes.]

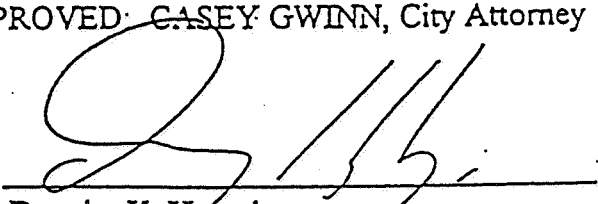
Section 2. That a full reading of this ordinance is dispensed with prior to its final passage, a written or printed copy having been available to the City Council and the public a day prior to its final passage.

Section 3. That City departments are instructed not to issue any permit for development that is inconsistent with this ordinance unless application for such permit was submitted and deemed complete by the City Manager prior to the date this ordinance becomes effective.

Section 4. This ordinance shall take effect and be in force on the thirtieth day from and after its passage and stay in effect until Sections 101.0101.96, 101.0510, and 101.0581 are repealed pursuant to Section 5 of Ordinance No. O-18451, adopted December 9, 1997. However, this ordinance will not apply within the Coastal Zone until the thirtieth day following the date the California Coastal Commission unconditionally certifies this ordinance as a local coastal program amendment. If this ordinance is not certified by the California Coastal Commission, or is certified with suggested modifications, this ordinance shall be void within the Coastal Zone.

APPROVED: CASEY GWINN, City Attorney

By


Douglas K. Humphreys
Deputy City Attorney

DKH:lc

08/27/98

Or.Dept:Comm.&Eco.Dev.

O-99-37

Form=codeo.frm

STRIKEOUT ORDINANCE

APPENDIX J

NEW LANGUAGE: Redline

(O-99-37)

ORDINANCE NUMBER O- 18588 (NEW SERIES)

ADOPTED ON SEP 29 1998

AN ORDINANCE AMENDING CHAPTER X, ARTICLE 1, DIVISIONS 1 AND 5, OF THE SAN DIEGO MUNICIPAL CODE BY AMENDING SECTIONS 101.0101.96, 101.0510, AND 101.0581, ALL RELATING TO THE IMPLEMENTATION OF REGULATORY CHANGES FOR HOMELESS FACILITIES.

Sec. 101.0101.96 Residential Care Facilities

1 A "residential care facility" means any building or place which is maintained and operated to provide sleeping accommodations, with or without food service(s) or kitchen facilities, for mentally disordered or otherwise disabled persons or dependent persons, or persons in rehabilitation or recovery programs; including, but not limited to, alcohol or substance abuse treatment, residential and community care facilities as defined by the state or county, facilities providing counseling services, emergency shelters and transitional housing for the homeless, and facilities receiving any form of government funding or subsidy, but excluding housing for the elderly, nursing or convalescent homes.

2 An emergency shelter is any facility that provides sleeping accommodations and restroom facilities to homeless persons on a day-to-day basis for periods of thirty days or less.

3 Transitional housing is a facility that offers residential accommodations for a specified period of time, counseling services, and other support services to prepare families and individuals for independent living.

Sec. 101.0510 Conditional Use Permit

A. and B. [No change.]

C. USES WHICH MAY BE CONSIDERED

1. "Hearing Officer" as Decisionmaker With Appeal to either the "Board of Zoning Appeals" or the "Planning Commission."

[No change in text of first paragraph.]

a. through n. [No change.]

o. Residential care facilities, as defined in Section 101.0101.96 for not more than twelve persons in any zone which otherwise permits residential use, subject to the development standards and locational criteria of Section 101.0581, except in A-1 zoned areas of the Coastal Zone subject to the FPF (Floodplain Fringe) overlay zone or in the Future Urbanizing area. ~~This provision shall not apply to applications involving residential care facilities for emergency shelter or transitional housing.~~

p. through u. [No change.]

2. [No change.]

3. Planning Commission as Decisionmaker with appeal to the City Council.

[No change in text of first paragraph.]

a. through d. [No change.]

e. Residential care facilities, as defined in Section 101.0101.96 for more than twelve persons in any zone which otherwise permits residential use, subject to the development standards and locational criteria of Section 101.0581,

except in the Future Urbanizing area. ~~This provision shall not apply to applications involving residential care facilities for emergency shelter or transitional housing.~~

f. through p. [No change.]

4. City Council as Decisionmaker.

[No change in text of first paragraph.]

a. through f. [No change.]

g. ~~Residential care facilities for emergency shelters or transitional housing, as defined in Section 101.0101.96. The provisions of Section 111.0510(b), requiring a recommendation from the Planning Commission, shall not apply to applications for residential care facilities for emergency shelters or transitional housing.~~

5. and 6. [No change.]

D. through M. [No changes.]

Sec. 101.0581 Conditional Use Permit Development Standards and Locational Criteria for Residential Care Facilities

A. through C. [No change.]

D.. Development Standards and Locational Criteria

[No changes to the first two paragraphs.]

1. through 6. [No changes.]

7. Only one residential care facility shall be permitted per lot or premise and shall be separated by a straight line radius of no less than one-quarter mile to any other type of residential care facility measured from property line to property line. ~~The one-~~

~~quarter mile separation provision shall not apply to applications for residential care facilities for emergency shelters or transitional housing.~~

8. through 10. [No changes.]

DKH:lc

08/27/98

Or.Dept:Comm.&Eco.Dev.

O-99-37

Form=codeo.frm

APPENDIX J

(O-99-38)

ORDINANCE NUMBER O- 18589 (NEW SERIES)

ADOPTED ON SEP 29 1998

AN ORDINANCE AMENDING CHAPTER 14, ARTICLE 1,
DIVISIONS 3 AND 4, OF THE SAN DIEGO MUNICIPAL
CODE BY AMENDING SECTIONS 141.0313 AND 141.0412
RELATING TO HOMELESS FACILITIES.

WHEREAS, on March 21, 1995, The City of San Diego, in accordance with Government Code section 65583, adopted a Housing Element of its Progress Guide and General Plan; and

WHEREAS, the Fourth District Court of Appeal, in the case of *Hoffmaster et al. v. City of San Diego*, found that the City's Residential Care Facilities ordinance "substantially constrains siting homeless facilities for emergency shelter and meaningful transitional housing in any location within the City"; and

WHEREAS, on November 25, 1997, The City of San Diego amended its Housing Element to comply with the findings of the court; and

WHEREAS, the City has adopted a new Land Development Code to regulate all land use and development in the City; and

WHEREAS, the City now wishes to amend its Land Development Code to ameliorate the constraining effects found by the Court; NOW, THEREFORE,

BE IT ORDAINED, by the Council of The City of San Diego, as follows:

Section 1. That Chapter 14, Article 1, Divisions 3 and 4, of the San Diego Municipal Code are amended by amending Sections 141.0313 and 141.0412, to read as follows:

Sec. 141.0313 Transitional Housing Facilities

Transitional housing facilities offer residential accommodations for a specified period of time, counseling services, and other support services to prepare *families* and individuals for independent living.

Transitional housing may be permitted with a Conditional Use Permit decided in accordance with Process Five, in the zones indicated with a "C" in the Use Regulations Tables in Chapter 13, Article 1 (Base Zones) subject to the following regulations. Section 112.0509(b) requiring a Planning Commission recommendation, shall not be applicable to transitional housing facilities.

(a) and (b) [No change.]

(c) [No change in text to this subdivision.]

(d) [No change in text to this subdivision.]

(e) [No change in text to this subdivision.]

(f) [No change in text to this subdivision.]

(g) [No change in text to this subdivision.]

(h) The facility shall provide at least one *off-street parking space* for each employee and one *off-street parking space* for every seven beds.

Additional parking may be required by the decision maker.

(i) [No change in text to this subdivision.]

Sec. 141.0412 Homeless Facilities

(a) This section regulates the following homeless facilities.

(1) [No change.]

(2) Emergency shelters: Any facility that provides sleeping accommodations and restroom facilities to homeless persons on a day-to-day basis, for periods of thirty days or less.

(3) [No change.]

(b) [No change.]

(c) Emergency Shelters

Emergency shelters may be permitted with a Conditional Use Permit decided in accordance with Process Five in the zones indicated with a "C" in the Use Regulations Tables in Chapter 13, Article 1 (Base Zones) subject to the following regulations. Section 112.0509(b) requiring a Planning Commission recommendation, shall not be applicable to emergency shelters.

(1) [No change.]

(2) [No change in text to this subdivision.]

(3) [No change in text to this subdivision.]

(4) [No change in text to this subdivision.]

(5) [No change in text to this subdivision.]

(6) [No change in text to this subdivision.]

(7) [No change in text to this subdivision.]

(8) [No change in text to this subdivision.]

(9) [No change in text to this subdivision.]

Section 2. That a full reading of this ordinance is dispensed with prior to its final passage, a written or printed copy having been available to the City Council and the public a day prior to its final passage.

Section 3. That City departments are instructed not to issue any permit for development that is inconsistent with this ordinance unless application for such permit was submitted and deemed complete by the City Manager prior to the date this ordinance becomes effective.

Section 4. This ordinance shall not take effect and be in force until Ordinance No. O-18451, adopted December 9, 1997, goes into effect, or on the thirtieth day following the date the California Coastal Commission unconditionally certifies the provisions of this ordinance which are subject to California Coastal Commission jurisdiction as a local coastal program amendment, whichever is later.

APPROVED. CASEY GWINN, City Attorney

By



Douglas K. Humphreys
Deputy City Attorney

DKH:lc

09/01/98

Or.Dept:Comm.&Eco.Dev.

O-99-38

Form=codeo.frm

STRIKEOUT ORDINANCE

OLD LANGUAGE: ~~Struck Out~~
NEW LANGUAGE: Redline

(O-99-38)

ORDINANCE NUMBER O- 18589 (NEW SERIES)

ADOPTED ON SEP 29 1998

AN ORDINANCE AMENDING CHAPTER 14, ARTICLE 1,
DIVISIONS 3 AND 4, OF THE SAN DIEGO MUNICIPAL
CODE BY AMENDING SECTIONS 141.0313 AND 141.0412
RELATING TO HOMELESS FACILITIES.

Sec. 141.0313 Transitional Housing Facilities

Transitional housing facilities offer residential accommodations for a specified period of time, counseling services, and other support services to prepare *families* and individuals for independent living.

~~Transitional housing for 7 to 12 persons may be permitted with a Conditional Use Permit decided in accordance with Process Three and transitional housing for 13 or more persons may be permitted with a Conditional Use Permit decided in accordance with Process Four, in the zones indicated with a "C" in the Use Regulations Tables in Chapter 13, Article 1 (Base Zones) subject to the following regulations:~~

Transitional housing may be permitted with a Conditional Use Permit decided in accordance with Process Five, in the zones indicated with a "C" in the Use Regulations Tables in Chapter 13, Article 1 (Base Zones) subject to the following regulations. Section 112.0509(b) requiring a Planning Commission recommendation, shall not be applicable to transitional housing facilities.

(a) and (b) [No change.]

~~(c) Transitional housing is not permitted within 1/4 mile of another transitional housing facility, measured from property line to property line in accordance with Section 113.0225.~~

~~(d)~~(c) [No change in text to this subdivision.]

~~(e)~~(d) [No change in text to this subdivision.]

~~(f)~~(e) [No change in text to this subdivision.]

~~(g)~~(f) [No change in text to this subdivision.]

~~(h)~~(g) [No change in text to this subdivision.]

~~(i)~~(h) The center facility shall provide at least one *off-street parking space* for each employee and one *off-street parking space* for every seven beds. Additional parking may be required by the decision maker.

~~(j)~~(i) [No change in text to this subdivision.]

Sec. 141.0412 Homeless Facilities

(a) This section regulates the following homeless facilities.

(1) [No change.]

(2) Emergency shelters: Any facility that provides sleeping accommodations and restroom facilities to homeless persons for less than a 24-hour stay on a day-to-day basis, for periods of thirty days or less.

(3) [No change.]

(b) [No change.]

(c) Emergency Shelters

Emergency shelters may be permitted with a Conditional Use Permit decided in accordance with Process Four ~~Five~~ in the zones indicated with a "C" in the Use Regulations Tables in Chapter 13, Article 1 (Base Zones) subject to the following regulations. ~~Section 112-0509(b) requiring a Planning Commission recommendation, shall not be applicable to emergency shelters.~~

- (1) [No change.]
- (2) ~~Emergency shelters are not permitted within 1/4 mile of another emergency shelter or a residential care facility, measured from property line to property line in accordance with Section 113.0225.~~
- (3)(2) [No change in text to this subdivision.]
- (4)(3) [No change in text to this subdivision.]
- (5)(4) [No change in text to this subdivision.]
- (6)(5) [No change in text to this subdivision.]
- (7)(6) [No change in text to this subdivision.]
- (8)(7) [No change in text to this subdivision.]
- (9)(8) [No change in text to this subdivision.]
- (10)(9) [No change in text to this subdivision.]

DKH:lc
08/27/98
Or.Dept.Comm.&Eco.Dev.
O-99-38
Form=codeo.frm

HOUSING ELEMENT APPENDIX K

**Summary of Suggestions
made by Housing Element Working Group**

APPENDIX K
Summary of Suggestions made for Housing Element FY 1999 - FY 2000
by Housing Element Working Group

Suggestion	Analysis	Suggestion	Analysis
Fair Housing Market should be considered in policies and programs section of Housing Element	Specifically addressed in the Reduction of Housing Discrimination Objective	Make statements as directive as possible throughout the Housing Element	Language changed where appropriate.
Match Consolidated Plan and Housing Element in Format	Some information in Consolidated Plan used as guide for Housing Element; however, Consolidated Plan is a federal requirement for receiving funds for specific projects	Include "Universal Design Standards" so that new housing and rehab complies with disability access	Universal standards were considered. However, the access requirements enforced through the City's Model Codes are more restrictive and Universal Design standards have no mechanism for enforcement. Staff met with Disability Access Committee to review this information.
Include military and Students under the special populations subgroup	Incorporated into Community Profile Section	Include additional information to the Housing Element Progress Report: column to indicate need for assistance under various programs and statement on the failure to adopt an inclusionary housing Program in the early 90's	Progress report was not changed to include column indicating need. However, specific goals are presented in the Quantified Objectives of each Goal. Additionally, specific need is indicated in the Housing Needs Section of the Housing Element.
Address infrastructure in Housing Element	Incorporated into the Housing Needs Section of the Housing Element; will also be addressed in Strategic Framework process of General Plan Update	Recommend to change or establish policy to require homeless providers to provide adequate restroom facilities for the disabled	Suggestion not included - Goals, Objectives, Policies and Programs addressing Homeless population can be found in Goal 1 of Housing Element.

APPENDIX K
Summary of Suggestions made for Housing Element FY 1999 - FY 2000
by Housing Element Working Group

Suggestion	Analysis	Suggestion	Analysis
Include Rental housing affordability and Homeownership affordability comparisons	Incorporated into the Housing Needs Section of the Housing Element	Divide goals for the Homeless into: "short term", "long term", and "special needs beds".	After meeting with major homeless providers it was decided that resources could be used at a more productive level if the group's needs were subdivided.
Change "Disabled People" to "Persons with Disabilities"	Wording changed throughout the document	Incorporate a discussion on the Hoffmaster Case in the Housing Element	Incorporated into the Goal 1 of Goals, Policies, Programs... Section of the Housing Element
Identify subgroups for different type of disabilities	Changes incorporated	Clarify "Extreme / Inclement Weather" with respect to homeless facilities	This was deleted since City's winter shelter program is no longer "inclement weather based".
Add "environmental Constraints" under governmental constraints	Availability of land will be further addressed in the Strategic Framework and in Land Inventory Section of the Housing Element	Include Residential care homes, group homes, and housing for persons with disabilities in the "Reduction of Housing Discrimination" section of Housing Element	An "Analysis of the Impediments" (AI) to fair housing choice will include the populations mentioned in suggestion. AI to be completed by August 2000. See Goal 5.
Add "financing" to "Availability of Facilities and Services"	Governmental and Non-Governmental Constraints section of the Housing Element provides broad discussion on the effects of costs involved in providing housing.	Discuss potential tools to meet affordable housing goals in Community Planning Areas.	See Goal 5 of Housing Element
Include Neighborhood Commercial Zones to emphasize the link between employment opportunities and the need for affordable housing opportunities	See Goal 5 for discussion on this subject.	Include discussion on Inclusionary Housing	Previous attempts to adopt an Inclusionary housing Ordinance in the City have failed to be adopted

APPENDIX K
Summary of Suggestions made for Housing Element FY 1999 - FY 2000
by Housing Element Working Group

Suggestion	Analysis	Suggestion	Analysis
Include Construction Defect Litigation as part of the Governmental Constraints	See Governmental - Nongovernmental Constraints section of Housing Element	Discuss the City's attempt to locate higher density housing principally along transit corridors and in proximity to significant concentrations of lower income employment opportunities	See Goal 5 - Policies and Programs under "Affordable Housing Goals and Community Balance".
Clarify the definition of "doubling-up"	See footnote in Community Profile chapter of Volume II.	Discuss suggestions to encourage dispersal of Section 8 households throughout City.	Housing Commission has used financial incentives in the past to encourage dispersal but there was an underutilization of incentives and program was ceased.
Break-down employment by income levels and community planning areas	Appendix H identifies retail employment for 1995 and 2005 by community planning areas.	Include policy that addresses public education on the need for affordable and innovative types of housing	See Goal 5 for broad discussion and programs addressing this suggestion.
Clarify the definition of "affordable housing"	See Appendix B	Explain reductions in Program goals for the FY 99 - FY 2000 Housing Element	Where applicable, reduction in goals is explained following each Quantified Objective for each Goal.
Clarify the rank of San Diego's housing affordability	Market Profiles and San Diego Apartment Association information used in preparing documents. Also used was the U.S. Conference Report On Hunger and Homelessness	Explain the Consolidation of Development Services and Community and Economic Development Department	Incorporated into text.
Incorporate the Fair Housing Act into the Housing Element	Specifically addressed in the Reduction of Housing Discrimination Objective	Include a brief discussion of Article 34 of the California Constitution	See Governmental Constraints to Development section of the Housing Element.

APPENDIX K
Summary of Suggestions made for Housing Element FY 1999 - FY 2000
by Housing Element Working Group

Suggestion	Analysis	Suggestion	Analysis
Address Conditional Use Permits	See discussion of Hoffmaster decision in Homeless Policies and Programs in Vol. I and appendices I & J in Vol. II.	Discuss the gap between the cost of developing low-income units and what a low income household can afford	An updated gap analysis could not be completed in time to include in this Element.
Address the costs of building Multi-family and Single-family homes	See Governmental Constraints - Fees and Nongovernmental Constraints - Land Prices and Construction Costs.		

**HOUSING ELEMENT
APPENDIX L**

Low-Income Households Overpaying for Housing

CITY OF SAN DIEGO

Housing Assistance Needs of Low & Moderate Income Households

Name of Jurisdiction:

City of San Diego

Sources of Data:

FY 1994 Comprehensive Housing Affordability Strategy (CHAS) Census Data Book

Household by Type, Income, & Housing Problem	Renters					Owners			Total Households (I)
	Elderly 1 & 2 Member Households (A)	Small Related (2 to 4) (B)	Large Related (5 or more) (C)	All Other Households (D)	Total Renters (E)	Elderly (F)	All Other Owners (G)	Total Owners (H)	
1. Very Low Income (0 to 50% MFI)*	12,894	22,574	11,068	22,595	69,131	11,969	9,290	21,259	90,390
2. 0 to 30% MFI*	7,730	11,867	5,244	12,158	36,999	5,745	4,220	9,965	46,964
3. # with any Housing Problems	5,903	10,400	5,062	10,164	31,529	3,538	3,264	6,802	38,331
4. # with Cost Burden > 30%	5,882	9,931	4,554	10,003	30,370	3,504	3,125	6,629	36,999
5. # with Cost Burden > 50%	4,380	8,905	3,741	9,327	26,353	2,248	2,746	4,994	31,347
6. 31 to 50% MFI*	5,164	10,707	5,824	10,437	32,132	6,224	5,070	11,294	43,426
7. % with any Housing Problems	4,016	9,429	5,175	10,025	28,645	1,909	3,636	5,545	34,190
8. # with Cost Burden > 30%	3,918	8,865	3,844	9,852	26,479	1,887	3,273	5,160	31,639
9. # with Cost Burden > 50%	2,061	3,904	1,120	5,953	13,038	877	2,281	3,158	16,196
10. Other Low-Income (51 to 80% MFI)	4,945	16,832	6,460	18,477	46,714	9,422	13,943	23,365	70,079
11. % with any Housing Problems	3,339	11,207	5,100	13,103	32,749	2,076	9,597	11,673	44,422
12. # with Cost Burden > 30%	3,295	9,425	2,038	12,628	27,386	2,070	8,607	10,677	38,063
13. # with Cost Burden > 50%	757	1,312	234	2,319	4,622	888	4,230	5,118	9,740
14. Moderate Income (81-95% MFI)*	1,511	7,472	2,001	8,166	19,150	4,556	9,818	14,374	33,524
15. % with any Housing Problems	630	2,953	1,433	2,995	8,011	624	6,172	6,796	14,807
16. # with Cost Burden > 30%	620	2,000	454	2,714	5,788	614	5,406	6,020	11,808
17. # with Cost Burden > 50%	94	256	0	227	577	155	1,454	1,609	2,186
18. Total Households**	23,791	74,744	24,722	83,819	207,076	51,189	148,051	199,240	406,316
19. % with any Housing Problems	14,677	38,480	19,535	40,752	113,444	10,396	57,932	68,328	181,772

* Or, based upon HUD adjusted income limits, if applicable.

** Includes all income groups -- including those above 95% of MFI

HOUSING ELEMENT APPENDIX M

Glossary of Key Terms

APPENDIX M

Glossary of Key Terms

Acres, Gross - Vacant land that includes land that may not be developable due to environmental, topographical, or other constraints and may also include land that may be subsequently utilized for street right-of-way or other public facilities.

Affordable Housing - Affordable housing is generally defined as housing where the occupant is paying no more than 30 % of gross income for gross housing costs, including utility costs.

Apartment - (1) One or more rooms of a building used as a place to live, in a building containing at least one other unit used for the same purpose. (2) A separate suite, not owner-occupied, which includes kitchen facilities and is designed for and rented as the home, residence, or sleeping place of one or more persons as a single housekeeping unit.

Area Median Income - As used in State of California housing law with respect to income eligibility limits established by the U.S. Department of Housing and Urban Development (HUD), "area" means metropolitan area or nonmetropolitan county.

Below-market rate (BMR) Housing Unit - Any housing unit specifically priced to be sold or rented to very low, low or moderate income households for an amount less than the fair market value of the unit. The U.S. Department of Housing and Urban Development sets standards for determining which households qualify as "very low income", "low income" or "moderate income".

Companion Unit - A second unit on a parcel zoned for and occupied by a single dwelling unit. The second unit may either be attached to or detached from the primary unit, but on the same parcel.

Cohousing - An alternative housing type and lifestyle which combines individual residences with extensive common facilities which are an important part of community life both for social and practical reasons. The concept envisions at least one common meal a day (usually evening) which most or all residents eat together in a common dining hall plus extensive support services for child care and recreation.

Condominium - A structure of two or more units, the interior spaces of which are individually owned; the balance of the property (both land and building) is owned in common by the owners of the individual units.

Congregate Care - Apartment housing, usually for seniors, in a group setting that includes independent living and sleeping accommodations in conjunction with shared dining and recreational facilities.

Density - The number of permanent residential units per acre of land. Densities specified in the General Plan may be expressed in units per gross acre or per net developable acre. The City of

San Diego determines density based on gross acreage. (See “Acres, Gross” and “Developable Acres, Net”.

Density Bonus - The allocation of development rights that allow a parcel to accommodate additional square footage or additional residential units beyond the maximum for which the parcel is zoned, usually in exchange for the provision or preservation of an amenity at the same site or at another location. Under California’s housing laws, a housing development that provides 20% of its units for low-income households or 10% of its units for very low-income households is entitled to a density bonus.

Developable Acres, Net - Gross acreage less any constrained acreage and also include other land set aside for streets or public facilities.

Discretionary Review - The review of an application for a land use permit which involves judgement as to whether or not the applicable regulatory requirements have been met and also involves one or more public hearings with notification being given to nearby property owners and the applicable community planning group.

Family - The Bureau of Census defines a family as a household (head of household) and one or more other persons living in the same household who are related by birth, marriage or adoption.

First-Time Homebuyer - An individual or family who has not owned a home during the three-year period preceding the HUD-assisted purchase of a home that must be used as the principal residence of the homebuyer, except that any individual who is displaced homemaker (as defined in 24 CFR 92) or a single parent (as defined in 24 CFR 92) may not be excluded from consideration as a first-time homebuyer on the basis that the individual, while a homemaker or married, owned a home with his or her spouse or resided in a home owned by the spouse.

Goal - A general, overall, and ultimate purpose, aim, or end toward which the City will direct effort.

Granny Flat - (See Companion Unit)

Housing and Community Development Department of the State of California (HCD) - The State Agency that has principal responsibility for assessing, planning for, and assisting communities to meet the needs of low and moderate income households.

Housing and Urban Development, U.S. Department of (HUD) - A cabinet-level department of the federal government which administers housing and community development programs.

Housing Unit - An occupied or vacant house, apartment, or a single room (SRO housing) that is intended as separate living quarters. (U.S. Census definition.)

Household - All those persons - related or unrelated - who occupy a single housekeeping unit. (See “Family”)

HOME Program - The HOME Investment Partnerships Act, which is Title II of the National Affordable Housing Act and establishes a new block grant program to fund rental and home ownership opportunities through new construction, acquisition, and rehabilitation.

Maintain - To keep in an existing state. (See "Preserve").

Manufactured Housing - Houses which are constructed entirely in the factory, and which since 1976 have been regulated by the federal Manufactured Home Construction and Safety Standards under the administration of the U.S. Department of Housing and Urban Development (HUD). (See "Mobile Home" and "Modular Unit").

Ministerial Review - The review of an application for a building or land use permit which involves no judgment as to whether or not the applicable regulatory requirements have been met. (See "Discretionary Review").

Mixed-Use - Properties on which various uses, such as office, commercial, institutional, and residential, are combined in a single building or on a single site in an integrated development project with significant functional interrelationships and a coherent physical design.

Mobile Home - A structure, transportable in one or more sections, built on a permanent chassis and designed for use as a single-family dwelling unit and which (1) has a minimum of 400 square feet of living space; (2) has a minimum width in excess of 102 inches; (3) is connected to all available permanent utilities; and (4) is tied down (a) to a permanent foundation on a lot either owned or leased by the homeowner or (b) is set on piers, with wheels removed and skirted, in a mobile home park under a lease with a minimum period of one year. (See "Manufactured Housing" and "Modular Unit").

Moderate Income Household - A household with an annual income between the lower income eligibility limits and 120 percent of the area median family income adjusted by household size, usually as established by the U.S. Department of Housing and Urban Development (HUD).

Modular Unit - A factory-fabricated transportable building or major component designed for use by itself or for incorporation with similar units on-site into a structure for residential, commercial, educational, or industrial use. A modular unit does not have any chassis for future movement. (See "Mobile Home" and "Manufactured Housing").

Multi-family Building - A detached building designed and used exclusively as a dwelling by three or more families occupying separate suites.

Objective - A specific statement of desired future condition toward which the City will expend effort in the context of striving to achieve a broader goal. An objective should be achievable and, where possible, should be measurable.

Preserve - can refer to maintaining existing units in a current status or can also refer to keeping existing units affordable to lower income households which are legally eligible to convert to

market rate status.

Single-Family Dwelling, Attached - A dwelling unit occupied or intended for occupancy by only one household that is structurally connected with other such dwelling units.

Single-family Dwelling, Detached - A dwelling unit occupied or intended for occupancy by only one household that is structurally independent from any other such dwelling unit or structure intended for residential or other use.

Single-Room Occupancy Unit - A unit of 220 square feet or less within a hotel providing sleeping or living facilities in which sanitary facilities may be provided within the unit and cooking facilities may be shared within the hotel (City of San Diego).

Small Family - A two, three, or four member family household which is not an “elderly household”, as defined above.

Substandard Housing - Residential dwellings, which because of their physical condition, do not provide safe and sanitary housing.

Vacant - Land or buildings which are not actively used for any purpose.

Very Low Income Household - A household whose annual income does not exceed 50 percent of the area median income, as determined by the U.S. Department of Housing and Urban Development (HUD), with adjustments for smaller and larger households.

Zoning - The division of a city by legislative regulations into areas, or zones, which specify allowable uses for real property and size restrictions for buildings within these areas; a program that implements policies of the General Plan.

Zoning District - A designated section of the City for which prescribed land use requirements and building and development standards are uniform.

Zoning, Exclusionary - Development regulations which result in the exclusion of low and moderate income and/or minority families from a community.

Zoning, Inclusionary - Regulations which increase housing choice by providing the opportunity to construct more diverse and economical housing to meet the needs of low land moderate income families. Often, such regulations require a minimum percentage of housing for low and moderate income households in new housing developments and in conversions of apartments to condominiums.

HOUSING ELEMENT APPENDIX N

Gap Between Cost of Housing and What Low and Moderate Income Households Can Afford

APPENDIX N

GAP BETWEEN COST OF HOUSING AND WHAT LOW AND MODERATE INCOME HOUSEHOLDS CAN AFFORD

As the following table illustrates, the rent on a newly constructed 2 bedroom, 2 bath garden apartment would range from \$1,370 - \$1,940 per month, depending on location. The same unit in a 4 story building with underground parking would rent from \$1,440 - \$1,940 depending on location.

However, a four person family with an income of \$34,150¹ (65% of San Diego area median income) could afford² to pay only \$854 per month. If this family had an income of \$26,250 (50% of San Diego area median income), they could afford to pay only \$656 per month. According to the most recent Consolidated Plan prepared by the San Diego Housing Commission, San Diego has over 106,000 households paying more than 30% of their income for housing.

In this example, for a 2 bedroom, 2 bath garden apartment, the affordability gap for the family at 65% of area median income would range from \$516 - \$1,085 per month. For the family at 50% of area median income, the affordability gap for the same unit would range from \$714 - \$1,284 per month.

A new construction affordable housing project in the South Bay where land values average \$30,000 - \$40,000 per unit would require financial subsidies of between \$25,000 - \$35,000 per unit. The same project in a north coastal community where land values average between \$60,000 - \$70,000 per unit would require subsidies of between \$55,000 - \$65,000 per unit. New construction affordable projects tend to focus on meeting the needs of large families with at least half the units having 3 or 4 bedrooms. On a per bedroom basis, the financial subsidies would average \$10,000 - \$15,000 per bedroom in the South Bay and \$25,000 - \$30,000 in the North Coast communities.

Acquisition and rehabilitation of existing projects is an alternative to new construction. However, significant financial gaps arise in these projects as well. The smaller the project, the higher the per unit subsidy. A typical small acquisition/rehab project might involve 25 units and assuming a \$45,000 per unit acquisition price, would require a subsidy of between \$35,000 - \$40,000 per unit. This would translate into approximately \$25,000 per bedroom. These costs assume rehab to federal standards. (Most existing projects are comprised of 1 and 2 bedroom units.

A number of HUD financed projects are being acquired and rehabilitated. These projects qualify within a very narrow IRS interpretation that enable the acquisition price of the project to qualify for Federal Low Income Housing Tax Credits. A typical project would be approximately 200 units.

¹Based on March, 2000 Median Area Income for San Diego County of \$53,700 for a four person household, as determined by HUD and the California Department of Housing and Community Development.

²Housing affordability is defined as paying no more than 30% of gross income for housing, including utilities.

**Required Market Rate Rents for Various Multi-Family Product Types
North Coast and South Bay**

Product Type Land Cost Range Total Development Cost Sales Price or Rent Range Average Density	North Coast	South Bay
Townhouse Condominiums³		
Land Cost per DU ⁴	\$100,000	\$50,000
Total Development Cost ⁵	\$200,000	\$100,000
Sales Price per DU	\$300,000	\$150,000
Average Density per DU	10	10
Garden Apartments⁶		
Land Cost Range per DU	\$60,000 - 70,000	\$30,000 - 40,000
Total Development Cost ⁷	\$150,000 - 162,000	\$114,000 - 126,000
Rent Range per DU per month	\$1,800 - 1,944	\$1,368 - \$1,512
Average Density per DU	20	20
Four Stories Over Underground Parking		
Land Cost Range per DU	\$60,000 - 70,000	\$30,000 - 40,000
Total Development Cost ⁸	\$180,000 - 192,000	\$144,000 - 156,000
Rent Range per DU per month	\$2,160 - 2,304	\$1,728 - 1,872
Average Density per DU	40 - 50	40 - 50

³Townhouse condominiums are assumed to be 1,600 - 1,700 square feet with 3 BR's and 2 baths.

⁴Land costs include in addition to land, infrastructure costs, permit fees and development impact fees

⁵Total development costs for townhouses include soft costs and developer profit.

⁶Garden Apartments are assumed to be 1,000 square feet with 2 BR's and 2 baths

⁷Total development costs include land costs plus construction @\$65/sf plus soft costs @ 20%.

⁸Total development costs include land costs plus construction costs @\$90/sf plus soft costs @ 20%

**HOUSING ELEMENT
APPENDIX O**

**City Council Resolution Authorizing
Housing Element for Submittal to HCD**